

cent in the Federal tax on earned incomes; to the Committee on Ways and Means.

323. Petition of the Chauffeurs Union, Local No. 265, of San Francisco, Calif., urging Congress of the United States for a reduction of 50 per cent in the Federal tax on earned incomes; to the Committee on Ways and Means.

324. Memorial of Local No. 460, O. P. and C. F. I. A., of San Francisco, Calif., urging Congress of the United States for a reduction of 50 per cent in the Federal tax on earned incomes; to the Committee on Ways and Means.

325. Petition of the California State Federation of Butchers, urging Congress of the United States for a reduction of 50 per cent in the Federal tax on earned incomes; to the Committee on Ways and Means.

326. By Mr. BAIRD: Memorial of William Erf, jr., secretary of the North Central Ohio Guernsey Association, urging support of House bill 6, providing for an adequate tariff on oils and fats; to the Committee on Agriculture.

327. Also, memorial of John H. Pinniger and other farmers of Lake Township, Wood County, Ohio, favoring higher duties on farm products imported from abroad in competition with American produce; to the Committee on Ways and Means.

328. By Mr. BOHN: Petition of Michigan State Senate, authorizing Republicans of Michigan to join in the celebration of the seventy-fifth anniversary of the Republican Party, July 6, 1929, at Jackson, Mich.; to the Committee on Rules.

329. By Mr. COOPER of Wisconsin: Petition of officers of the Anti-National Origins Clause League of Detroit, Mich., urging the repeal of the national-origins provisions of the immigration act of 1924; to the Committee on Immigration and Naturalization.

330. By Mr. COYLE: Memorial of Pride of East Mauch Chunk Council, No. 162, Sons and Daughters of Liberty, East Mauch Chunk, Pa., urging the enforcement of the national-origins provision of the 1924 immigration law, and opposing any repeal or further postponement of this provision; to the Committee on Immigration and Naturalization.

331. By Mr. O'CONNELL of New York: Petition of the Consolidated Fisheries Co., New York City, with reference to the tariff on oils and fats; to the Committee on Ways and Means.

332. Also, petition of Hans Rees' Sons, New York City, with reference to free hides and dutiable leather; to the Committee on Ways and Means.

333. Also, petition of H. D. Bob Co. (Inc.), New York City, favoring a readjustment in the tariff to provide that importers of shirts shall pay no less than 35 per cent ad valorem, or 15 per cent in addition to rate of duty on chief component material, which would apply when the material carries a duty in excess of 20 per cent; to the Committee on Ways and Means.

334. By Mr. HENRY T. RAINEY: Petition of 148 fruit growers of Calhoun County, Ill., favoring a tariff on bananas; to the Committee on Ways and Means.

SENATE

TUESDAY, May 7, 1929

The Rev. Joseph R. Sizoo, D. D., minister of the New York Avenue Presbyterian Church of the city of Washington, offered the following prayer:

Lord, Thou hast been our dwelling place in all generations. Before the mountains were brought forth, or ever Thou didst form the earth and the world, ever from everlasting to everlasting Thou art God. We thank Thee for Thy gifts. They are as varied as our needs and as manifold as our desires. Our hearts cry for love, and Thou givest us friendship. Our minds crave light, and Thou dost reveal unto us truth. Our eyes long for beauty, and Thou dost unfold unto them this beautiful world. Make us grateful for all Thy gifts. Give us to believe to-day that life has no need for which strength will not be given and that earth has no sorrow that Heaven can not heal. Through Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. JONES and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, communicated to the Senate the intelligence of the death of Hon. JOHN J. CASEY, late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

CALL OF THE ROLL

Mr. JONES. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	King	Simmons
Ashurst	Frazier	La Follette	Smith
Barkley	George	McKellar	Smoot
Bingham	Gillett	McMaster	Steck
Black	Glass	McNary	Steiwer
Blaine	Glenn	Metcalf	Swanson
Blease	Goff	Moses	Thomas, Idaho
Borah	Goldsborough	Norbeck	Thomas, Okla.
Bratton	Greene	Norris	Townsend
Brookhart	Hale	Nye	Trammell
Broussard	Harris	Oddie	Tydings
Burton	Harrison	Overman	Tyson
Capper	Hastings	Patterson	Vandenberg
Caraway	Hatfield	Phipps	Wagner
Connally	Hawes	Pine	Walcott
Copeland	Hayden	Pittman	Walsh, Mass.
Couzens	Hebert	Ransdell	Walsh, Mont.
Cutting	Heflin	Reed	Warren
Dale	Howell	Robinson, Ark.	Waterman
Deneen	Johnson	Robinson, Ind.	Watson
Dill	Jones	Sackett	Wheeler
Edge	Kean	Schall	
Fess	Keyes	Sheppard	

The VICE PRESIDENT. Ninety Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram from the Webster Literary Society of the Southeast Missouri Teachers College, Cape Girardeau, Mo., favoring the inclusion of the debenture provision in the pending farm relief bill, which was ordered to lie on the table.

He also laid before the Senate resolutions of the California State Federation of Butchers, and Local Union No. 460, O. P. and C. F. I. A., in the State of California, favoring a reduction of 50 per cent in the Federal tax on earned incomes, which were ordered to lie on the table.

Mr. FLETCHER. Mr. President, I have a brief statement from a real farmer who has had 50 years of experience. I think it well to give due publicity to expressions from people who know what they are talking about. The letter is from Mr. E. Rodgers, of Habe Sound, Fla. I ask to have it printed in the RECORD.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

HABE SOUND, FLA., May 2, 1929.

HON. DUNCAN U. FLETCHER,

Senate Building, Washington, D. C.

DEAR SIR: I have been reading of late a great deal about farm relief and I have studied the situation from every angle, and from every standpoint I have studied the McNary-Haugen farm relief bill. Also all of the amendments offered to same, and I have come to the conclusion that I can not see any relief for the agricultural situation in anything that has so far been suggested, because they have not touched on what I believe to be the greatest troubles now confronting the farmers, and that is, first, too many middlemen between the producer and the consumer; second, the exorbitant express and freight rates levied against the shipper; third, the exorbitant prices farmers have to pay for farm implements and machinery, the same having risen more than 300 per cent in the past 25 years; fourth, the high tax rates imposed on farm lands and farm machinery; then, fifth, the worst of all, is the speculation carried on in New York in that nefarious stock exchange, buying and selling futures, setting a price on farm products six months and a year in advance of production. Now, these are five of the fundamental reasons of the present agricultural troubles, according to my views of the matter. And it seems to me that anyone else could see it. I have been farming for 50 years and have been watching very closely the gradual but sure destruction of agriculture through the increased activities of the causes enumerated above. The whole agricultural fabric is undermined by the five mentioned causes, each of which, according to my view, could be regulated by the Government if it wishes to really help the farmer. That would do more good than any appropriations in any other way. I will be greatly pleased to hear from you on the subject.

Sincerely yours,

E. RODGERS.

Mr. EDGE. Mr. President, I ask unanimous consent to have inserted in the RECORD a telegram from the secretary of the Newark branch of the National League of Commission Merchants of the United States urging the elimination of fresh fruits and vegetables from the pending measure.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

NEWARK, N. J., May 1, 1929.

Senator WALTER E. EDGE:

All of the members of Newark branch National League of Commission Merchants of the United States urge the elimination of "fresh fruits and vegetables" from Senate bill now before Senate for farm relief, on the grounds that their perishability requires highly complex and intricate marketing system, and any disturbance thereof may cause hardship rather than relief contemplated by bill. Suggest also the wisdom of their elimination pending opportunity to observe effect of legislation on staple commodities.

ALEXANDER G. MITCHELL,
Secretary Newark Branch National League Commission
Merchants of the United States, 202 Miller Street.

Mr. BLACK. Mr. President, I desire to have inserted in the RECORD a telegram from O. F. E. Winberg, president of the Gulf Coast Citrus Exchange, protesting against the exclusion of fresh fruits and vegetables from the pending farm relief measure.

There being no objection the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

SILVERHILL, ALA., May 4, 1929.

Hon. HUGO BLACK,

United States Senate, Washington, D. C.:

We understand that the provision in the pending farm bill dealing with fruits and vegetables, in so far as credit is concerned for packing and warehouses, has been eliminated from the bill. This feature is of the utmost importance to the fruit and vegetable grower of the South. Please do all in your power get this feature reinstated.

O. F. E. WINBERG,
President Gulf Coast Citrus Exchange, representing the
majority of the Citrus Industry in Alabama, West
Florida, Mississippi, and Southeastern Louisiana.

Mr. COPELAND. Mr. President, in connection with what the Senator from Alabama has just said, may I venture to suggest that the presentation of such matters be postponed until we take up the question of fresh fruits and vegetables, as we shall do very shortly. I have had a conversation with the chairman of the Committee on Agriculture and Forestry and he thinks we may consider it as soon as the debenture plan is adopted.

Mr. KING. Adopted?

Mr. COPELAND. Adopted. I have many telegrams and letters relating to the matter which I do not care to put in the RECORD. We shall have full opportunity to discuss the question, and perhaps if we do it at one time we shall have the matter in our minds in a more consecutive and orderly way. It is a question of such importance that it must be threshed out and both sides to the controversy heard fully. There will be ample time, I am assured by the chairman of the committee, to give expression to our views. I know in my own State there are many persons who take one view and an equal number who take the opposite view. It is a matter that certainly must receive the serious thought of the Senate, and I have no doubt it will do so.

Mr. CAPPER. Mr. President, Mr. John H. Fahey, director of the United States Chamber of Commerce, has called my attention to a resolution adopted last week at the annual meeting of the chamber expressing the approval of that organization of the peace treaty and also expressing their deep interest in the question of an effective reduction of armament. I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

THE TREATY OF PARIS ON THE REDUCTION OF ARMAMENTS

The Chamber of Commerce of the United States views with great satisfaction the progress which is being made toward the establishment of real peace in the world and the constructive leadership in this direction which the Government of the United States has taken.

It indorses heartily the principles of the treaty of Paris and the inspiring proposals consistent with that treaty which have been presented on behalf of our Government for the effective reduction of armaments.

American business has repeatedly declared its aversion to armed conflict and to profit making influenced by the misfortunes of war.

Fourteen years ago, by referendum vote, the chamber declared:

"That the United States should take the initiative in joining with other nations in agreeing to bring concerted economic pressure to bear upon any nation or nations which resort to military measures without submitting their differences to an international court or a council of conciliation and then awaiting the decisions of the court or the recommendations of the council as circumstances make the most appropriate."

The relief of humanity from the intolerable sacrifices of war and its inevitable burdens of taxation which for centuries have prevented the highest development of civilization represent the world's great challenge to the intelligence of statesmen. We pledge our unqualified support to

our President and our Government in every effort toward the suppression of war as an instrument of national policy.

Mr. ROBINSON of Arkansas. Mr. President, I present a telegram from Mr. Charles T. Twynne, executive vice president of the Chamber of Commerce of the State of New York, and another telegram from the New York Board of Trade, both telegrams declaring that the respective organizations mentioned favor the national-origins provision of the immigration law. I ask that the telegrams may be printed in the RECORD and lie on the table.

There being no objection, the telegrams were referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., May 6, 1929.

Hon. JOSEPH T. ROBINSON,

United States Senate:

The Chamber of Commerce of the State of New York has indorsed the national-origins provision of the immigration act of 1924 and is strongly opposed to its suspension or repeal.

CHARLES T. TWYNNE,
Executive Vice President.

NEW YORK, N. Y., May 6, 1929.

Senator J. T. ROBINSON,

Washington, D. C.:

The New York Board of Trade relies on your efforts to prevent repeal of national-origins provision immigration law.

NEW YORK BOARD OF TRADE (INC.),
By WILLIAM MCCARROLL,
Chairman Immigration Committee.

Mr. REED. Mr. President, I send to the desk and ask to have printed in the RECORD a letter from the national legislative committee of the American Legion with regard to the national-origins clause of the immigration act.

There being no objection, the letter was referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMITTEE,
Washington, D. C., April 27, 1929.

Hon. DAVID A. REED,

United States Senate, Washington, D. C.

MY DEAR SENATOR: The American Legion from its very beginning has favored restrictive immigration. This question has come before our national conventions ever since our first meeting in 1919. While the Legion was continuing this stand, the Congress passed the act of 1924, which based restrictive quotas upon the national origins, to go into effect in 1927, temporarily basing quotas upon the foreign-born population in this country according to the 1890 census. The American Legion immediately indorsed the act of 1924, and in 1928 specifically indorsed the national-origins provision as a basis for selecting our immigration without one dissenting vote from the 1,000 delegates at the San Antonio convention.

Any method of selecting immigrants based upon the foreign born—whether upon the censuses of 1890, 1900, 1910, or 1920, inevitably discriminates against some foreign nations in favor of other foreign nations.

The American Legion contends that this is not a matter for foreign nations—it is an American question which should be settled by Americans on American terms. The question should be settled once and for all, and now is the time to settle it. The question which therefore confronts you is this: Shall the foreign born in this country, contending through blocs of their own, determine our immigration policy, or shall it be decided by the American people in an American way?

On February 13, after full and complete hearings, the Senate Immigration Committee voted against reporting the resolution to postpone further the effective date of the national-origins provision of the law. On March 22 the President, in accordance with law, proclaimed the effective date as July 1, 1929.

With the convening of the special session resolutions have again been introduced to repeal this part of the law. Again the Senate Immigration Committee, after consideration, voted against a favorable report.

Now Senate Resolution 37 is before the Senate. This proposes to discharge the Senate Immigration Committee of the legislation and bring the question of repeal to the floor of the Senate.

The American Legion believes Senate Resolution 37 should be defeated. We therefore respectfully request your vote against this resolution.

Sincerely yours,

JOHN THOMAS TAYLOR,
Vice Chairman National Legislative Committee.

Mr. KING. Mr. President, apropos of what has just been submitted, I have received a large number of letters, perhaps several hundred, from various organizations and individuals protesting against the national-origins clause of the immigration law and praying that it may be repealed or modified. I have

not tried to cumber the RECORD with those numerous petitions and representations.

Mr. HEBERT. I present a resolution adopted by the Rhode Island Council of Patriotic Societies indorsing the immigration act of 1924 and the national-origins provision of that act. I ask that the resolution may be printed in the RECORD.

The resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

RHODE ISLAND COUNCIL OF PATRIOTIC SOCIETIES,

May 3, 1929.

Hon. FELIX J. HEBERT,

Senator from Rhode Island, Washington, D. C.

MY DEAR MR. HEBERT: At the annual meeting of the Rhode Island Council of Patriotic Societies the following resolution was passed, and it was voted that a copy be sent to you:

"We, the Rhode Island Council of Patriotic Societies, at a regular meeting held January 25, 1929, recommend and indorse the following petition:

"We, the undersigned citizens of the United States, indorse the immigration act of 1924.

"We believe its provisions should be extended to cover immigration from Mexico, the West Indies, Central and South America.

"We regard the national-origins system for the determination of quotas now embodied in the act of 1924 as sound in principle, fair to all elements of the population, and the only basis by which just representation is given to the basis American stock, which evolved the institutions under which the Nation has grown great: Therefore

"We respectfully petition the Congress to retain the national-origins provision of the immigration act of 1924, and repudiate the alien and selfish racial interests seeking the repeal of this just provision of the law.

"We further respectfully petition the Congress in the national interest to enact more adequate legislation for the deportation of alien criminals, anarchists, communists, and insane, who are a menace to the public safety and constitute a grievous burden to the taxpayer."

Very sincerely yours,

(Mrs. E. S.) ELIZABETH E. MOULTON,

Secretary.

49 BOYLSTON AVENUE, Providence, R. I.

Mr. NORBECK. I have a couple of telegrams which I should like to have printed in the RECORD. One is signed by the Minnesota Farm Bureau, the Central Cooperative Association, Land o' Lakes Creameries, the Minnesota Cooperative Wool Association, and others, and has reference especially to the tariff. The other one is from the South Dakota Wheat Growers' Association, and has reference to the pending farm bill.

There being no objection, the communications were ordered to lie on the table and to be printed in the RECORD, as follows:

ST. PAUL, MINN., May 4, 1929.

Hon. PETER NORBECK,

Washington, D. C.:

Republican platform pledge, "A protective tariff is as vital to American agriculture as it is to American manufacturing. The Republican Party believes that the home market built up under the protective policy belongs to the American farmer, and it pledges its support of legislation which will give this market to him to the full extent of his ability to supply it. We favor adequate tariff protection to such of our agricultural products as are affected by foreign competition. The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success." These are the pledges on which farmers relied when voting and Republican Party succeeded. We now fear these promises are not to be kept. Farmers greatly disappointed with farm relief bill. The tariff schedules requested by farm organizations before Ways and Means Committee are lowest necessary to keep these pledges. Trades with Philippines, Canada, and other foreign governments were not included in party platform and our farmers deeply resent present indications that we are not to get full tariff protection. Disregard of these party platform pledges will be disastrous.

MINNESOTA FARM BUREAU,

CENTRAL COOPERATIVE ASSOCIATION,

LAND O' LAKES CREAMERIES (INC.),

FARM STOCK AND HOME,

MINNESOTA COOPERATIVE WOOL ASSOCIATION,

MINNESOTA LIVESTOCK BREEDERS' ASSOCIATION,

TWIN CITY MILK PRODUCERS' ASSOCIATION.

APRIL 9, 1929.

Senator PETER NORBECK,

Senate Office Building, Washington, D. C.:

Resolution of the board of directors of the South Dakota Wheat Growers Association in session, regularly assembled, at Aberdeen, S. Dak., the 23d day of April, 1929:

"Whereas Congress is now assembled in special session for the purpose of passing such legislation as will remedy the present unbalanced condition between agriculture and that of industry and labor within our borders;

"Whereas the past and present administrations have expressed their disapproval of any legislation embodying the equalization-fee plan or the export-bounty plan, and it would therefore seem illogical to attempt to force through legislation embodying these principles at this time: Be it

"Resolved, That we urge that Congress direct its study and attention toward legislation that will result in further development and consolidation of farmer owned and farmer operated cooperative marketing organizations."

We further recommend that close attention be given to provision for loans to such organizations for acquiring physical facilities and for operation; that such restrictions be placed upon the issuance of such loans as will require and be an inducement to small individual units to join their efforts together into larger regional units of operation, since such provision in loan requirements will lessen the loan hazard, will increase the security of such loans, and will tend to develop larger and more influential regional cooperatives and discourage the frequent development of small local, unwarranted, and competitive units.

SOUTH DAKOTA WHEAT GROWERS ASSOCIATION,
B. M. DICKINSON, Secretary.

Mr. JOHNSON. I present a memorial from the Legislature of the State of California relative to the pending measure and in relation as well to the amendment for the exclusion of perishable fruits and vegetables, which I ask may lie on the table and be printed in the RECORD.

The memorial was ordered to lie on the table and be printed in the RECORD, as follows:

SACRAMENTO, CALIF., May 6, 1929.

Hon. HIRAM W. JOHNSON,

United States Senator, Washington, D. C.:

The senate and assembly to-day unanimously adopted the following Assembly Joint Resolution No. 17 relative to the measures for farm relief pending in the Congress of the United States:

"Whereas the House of Representatives of the United States has enacted a measure designed to accomplish comprehensive farm relief for all parts of this country; and

"Whereas there is now pending before the Senate of the United States a similar measure, to which certain amendments have been proposed, which, if adopted, will exclude from the relief provisions thereon fruits and vegetables and will thus work great hardship and irreparable injury upon the producers of such products through the United States, and especially within the State of California; and

"Whereas the production and market of fruits and vegetables constitute one of the most important agricultural activities of this State: Now, therefore, be it

"Resolved by the assembly and senate jointly, That the Legislature of the State of California does hereby request the Hon. HIRAM W. JOHNSON and the Hon. SAMUEL M. SHORTEIDGE, representing the people of this State in the Senate of the United States, to support the farm relief measure which has been enacted by the House of Representatives and to use every honorable means to prevent the adoption of any amendment to the bill pending before the Senate which would deny the same fair rights and privileges of farm relief to the growers and producers of fruits and vegetables as are to be accorded to all other agricultural industries; and be it further

"Resolved, That the chief clerk of the assembly is hereby directed to transmit by telegraph forthwith upon its adoption copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to the Senators and Representatives from California in the Congress of the United States (also a resolution of like import prepared by Senator Cassidy for the California Senate was adopted unanimously by the Senate of the State of California to-day)."

ARTHUR A. OHNIMUSS,

Chief Clerk of the Assembly.

Mr. TYSON. I ask unanimous consent to have printed in the RECORD three telegrams which I have received from L. A. Niven, president of the Tennessee Horticultural Society, and others, in regard to elimination of fruits and vegetables from the pending bill.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

MEMPHIS, TENN., May 6, 1929.

Hon. L. D. TYSON,

United States Senate, Washington, D. C.:

Press reports indicate Congress will leave fruit and vegetables outside farm relief legislation. This unfair to one of our most important classes farm products. Vegetable consumption increased 140 per cent last 10 years. Urge you do everything possible prevent this injustice.

L. A. NIVEN,

President Tennessee Horticultural Society.

CLEVELAND, TENN., May 6, 1929.

Senator L. D. TYSON,
Washington, D. C.:

Defeat, if possible, the amendment to the farm bill which deprives growers of fruit and vegetables of its benefits. We need relief more than most other commodity groups. I am president two associations—one selling strawberries, the other peaches. Our growers are anxious to be included in the relief plan.

S. N. VARNELL.

NASHVILLE, TENN., May 6, 1929.

Hon. L. D. TYSON,
Senator, Washington, D. C.:

Farmers of Tennessee are anxious that fruits and vegetables be included in farm relief legislation. Your earnest consideration is requested.

HOMER HANCOCK,
Commissioner of Agriculture.

Mr. TRAMMELL. Mr. President, I have received a large number of telegrams protesting against the amendment to eliminate fruit and vegetable growers from the benefits of the pending farm bill, which I have not sent to the desk to be inserted in the RECORD; but I desire to have the telegram which I hold in my hand, from the commissioner of agriculture of the State of Florida, printed in the RECORD.

There being no objection, the telegram was ordered to lie on the table and be printed in the RECORD, as follows:

TALLAHASSEE, FLA., May 6, 1929.

Hon. PARK TRAMMELL,
Senate Office Building, Washington, D. C.:

Please do not fail to see to it that fruit and vegetable producers have the same privileges that staple crop growers have in farm relief bill.

NATHAN MAYO,
Commissioner of Agriculture.

"THE ASHURST AMENDMENT"

Mr. ASHURST presented letters relative to compensation of ex-service men of the World War, which were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

APRIL 29, 1929.

Gen. FRANK T. HINES,
Director United States Veterans' Bureau,
Washington, D. C.

DEAR GENERAL HINES: When H. R. 12175 was pending in the Senate of the Sixty-ninth Congress I offered the following amendment, which amendment was adopted by the Senate and which became a part of Public, No. 448, and for the lack of a better description has come to be known as the Ashurst amendment, to wit:

"That any ex-service person shown to have had a tuberculosis disease of a compensable degree, who, in the judgment of the director, has reached a condition of complete arrest of his disease, shall receive compensation of not less than \$50 per month: *Provided, however,* That nothing in this provision shall deny a beneficiary the right to receive a temporary total rating for six months after discharge from a one year's period of hospitalization: *Provided further,* That no payments under this provision shall be retroactive and the payments hereunder shall commence from the date of the passage of this act or the date of the disease reaches a condition of arrest, whichever be the later date."

Will you please inform me as to the number of ex-service men now receiving compensation under the provisions of my amendment; and also please further advise me as to the gross sum of money (compensation) which to date has been paid to ex-service men under and by virtue of this Ashurst amendment?

Sincerely yours,

HENRY F. ASHURST.

MAY 6, 1929.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

MY DEAR SENATOR ASHURST: This will acknowledge receipt of your letter of April 29, 1929, requesting a report of the number of ex-service men receiving compensation as a result of the amendment of July 2, 1926, to the World War veterans' act, providing for the payment of a statutory \$50 award in cases of arrested tuberculosis, and also requesting a report of the amount of compensation which has been paid to date under the provisions of this amendment.

The report of arrested tuberculosis cases for March 31, 1929, indicates that the statutory award of \$50 is being paid to 43,257 veterans. The cumulative cost of this amendment, over and above the compensation being paid prior to the amendment, is \$46,790,000.

Very truly yours,

FRANK T. HINES, Director.

RADIOTELEPHONES ON RAILWAY TRAINS

Mr. DILL. Mr. President, in the newspapers of yesterday there was printed a report from Canada regarding the development of the radiotelephone on American railway trains, and that leads me to say that while the radio industry and the radio development in the United States lead every other part of the world in every other respect, I think the use of radio on trains in the United States is not abreast of the development along that line in other countries.

I am told that in Germany when a passenger boards a train he is handed a rate card showing the rate at which he may telephone to people in Germany by the telephone on the train, connected by radio with the wire lines which reach the various telephones of the country. Just why we have not made that development in the United States I am not fully informed, but I have a short statement from Mr. Oswald F. Schuette, of the Radio Protective Association, which I should like to have the clerk read. It is the explanation he gives in this regard.

The VICE PRESIDENT. Without objection, the clerk will read the statement.

The Chief Clerk read as follows:

WIRELESS TELEPHONES ON CANADIAN TRAINS

Oswald F. Schuette, executive secretary of the Radio Protective Association, made the following statement May 7, 1929:

"The announcement made at Toronto calls new attention to the fact that such installations on trains in the United States have been prevented by the radio trust agreements of the Radio Corporation of America, the General Electric Co., the Westinghouse Electric & Manufacturing Co., and the American Telephone & Telegraph Co. Under these contracts the first three companies have agreed to do nothing in the field of wireless telephony that might compete with the wire lines of the American Telephone & Telegraph Co. All wireless-telephone development in the United States, under these contracts, are made the exclusive monopoly of the American Telephone & Telegraph Co.

"Wireless telephony from moving trains has been carried on for several years in Europe. Although American passenger trains are the finest in the world, the radio trust has successfully prevented the introduction of this important convenience on any of them. It would be difficult to name a convenience that would be more important than such a wireless-telephone connection to the thousands of business men who daily use such crack trains as the Twentieth Century, the Capitol Limited, the Congressional, the Wolverine, the Olympian, the Overland Limited, or any other of the fliers that have made American railroads famous throughout the world. Yet the radio trust has been able so far to prevent such progress.

"Now that the Canadian railroads, who apparently are outside the control of this radio trust, have undertaken to install such a system, it will be interesting to note whether the trust will be able to continue this reactionary policy."

The VICE PRESIDENT. The statement will be referred to the Committee on Interstate Commerce.

Mr. DILL. Mr. President, I wish to state in addition that the hearings on the new communications bill introduced by the Senator from Michigan [Mr. COUZENS], which are to be held beginning to-morrow will, I hope, cover this question, and we may be able to find out why in reality American railway trains are not using the radiotelephone, as stated by Mr. Schuette in this statement.

ANDREW W. MELLON, SECRETARY OF THE TREASURY

Mr. STEIWER. From the Committee on the Judiciary I submit a report (No. 7) in response to Senate Resolution No. 2, relating to the eligibility of the Secretary of the Treasury. I ask that it may be placed on the calendar.

The VICE PRESIDENT. The report submitted by the Senator from Oregon will be printed and placed on the calendar.

Mr. NORRIS. Mr. President, on behalf of a minority of the Committee on the Judiciary, consisting of the Senator from Arkansas [Mr. CARAWAY], the Senator from Montana [Mr. WALSH], the Senator from Wisconsin [Mr. BLAINE], and myself. I present the views of the minority (No. 7, pt. 2) and also some views by the Senator from Wisconsin [Mr. BLAINE] (No. 7, pt. 3) in addition to what is stated in the views of the minority.

Mr. HEFLIN. Mr. President, before the Senator from Nebraska takes his seat I desire to ask him a question.

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield.

Mr. HEFLIN. Does the report which has just been submitted relate to the case on which the Senator from Mississippi [Mr. STEPHENS] was allowed to vote when he was absent?

Mr. NORRIS. Yes. The Senator from Mississippi joins in the majority report submitted by the Senator from Oregon [Mr. STEIWER].

Mr. HEFLIN. But the Senator from Mississippi is in the State of Mississippi.

Mr. NORRIS. I want to state, since the question has been raised, that there is no objection to the name of the Senator from Mississippi appearing on the majority report, because it is in conformity with a unanimous-consent agreement in the committee that those who were not present when the report and views of the minority were submitted would have an opportunity to sign any of the documents; and a telegram from the Senator from Mississippi to the Senator from North Carolina [Mr. OVERMAN] authorizing him to attach his name to the majority report was read in the committee.

Mr. HEFLIN. I think that is a very bad precedent.

Mr. NORRIS. It may be bad practice, but since the question has been raised I desire to state that so far as the committee was concerned there was no objection.

Mr. WALSH of Montana. I join in the views of the minority submitted by the Senator from Nebraska [Mr. NORRIS], the chairman of the Committee on the Judiciary, and I submit some additional views, which consist simply of documents which were read to the committee—No. 7, part 4.

Mr. BORAH. Mr. President, I desire to submit views on the same subject, signed by the Senator from Utah [Mr. KING], the Senator from Washington [Mr. DILL], and myself—No. 7, part 5.

Mr. ROBINSON of Arkansas. May I inquire how many reports the Senate is to be favored with in this matter?

Mr. NORRIS. Does the Senator from Arkansas make that inquiry of me?

Mr. ROBINSON of Arkansas. I make the inquiry of any member of the Committee on the Judiciary who may know.

Mr. NORRIS. There are three reports, and two members of the committee who have signed other reports have also submitted additional reasons for their position.

Mr. EDGE. Mr. President, may I ask the Senator from Nebraska a question?

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from New Jersey?

Mr. NORRIS. I yield.

Mr. EDGE. I am wondering, with these five reports from eminent lawyers—

Mr. NORRIS. There are only three reports.

Mr. EDGE. With these three conflicting reports and two supplements, making at least five viewpoints, I am wondering just where the struggling layman Members of this body are left.

Mr. NORRIS. That is for the laymen to ascertain and solve for themselves.

Mr. ASHURST. Mr. President, being unable to agree in toto with the various views of the other members of the Committee on the Judiciary, I became the lone wolf on the committee and I now ask the clerk to read my individual view as it will illuminate the Senate and give the correct doctrine on this mooted question—No. 7, part 6.

The VICE PRESIDENT. Is there objection?

Mr. NORRIS. Mr. President—

Mr. ASHURST. The statement is very short.

Mr. NORRIS. The only possible objection I have to the reading is that it may lead to debate.

Mr. ASHURST. The statement is so clear that no one will wish to dispute it.

Mr. NORRIS. I have no objection to the Senator submitting his views and having them read.

The VICE PRESIDENT. Reports and minority views submitted by Senators are not debatable in the morning hour. In the absence of objection, the clerk will read, as requested.

The Chief Clerk read as follows:

Mr. ASHURST, from the Committee on the Judiciary, submitted the following individual view (pursuant to S. Res. 2):

The Senate has no power to institute and commence impeachment proceedings; that power is by the Constitution committed to the House of Representatives.

A concise discussion of this question will be found by reading the remarks of Hon. GEORGE W. NORRIS, Senator from Nebraska and chairman of the Senate Committee on the Judiciary, delivered in the Senate on March 5, 1929, when this resolution was considered. The substance of what Senator NORRIS then said is as follows:

"Mr. President. * * * The Constitution of the United States confers exclusive jurisdiction upon the House of Representatives to impeach officials who are guilty of misdemeanors or high crimes. The House would have to decide, the same as a prosecutor would have to decide in a case in court, whether the defendant, or whether, as in this case, the respondent was guilty of a misdemeanor. The Senate ought to hold itself aloof, because in case the House should impeach it would become necessary for the Senate to try the impeachment.

"It seems to me, having exclusive jurisdiction of such trials, we ought not to consider this matter, first, because we have no impeachment jurisdiction; and, second, we should not express in advance an opinion, either as to fact or law, on the action of a public official who, under the Constitution, is liable to impeachment by the House and trial by the Senate.

"To me it seems perfectly clear that that part of the resolution ought to be eliminated. Suppose, for instance, we should agree to the resolution, and the Judiciary Committee should report, after looking up the law, that in its judgment the Secretary of the Treasury had not violated any law, and let us suppose that the Senate approved that decision. We would have gone on record then officially upon a question that, so far as any effect is concerned, we would have no jurisdiction to try until an impeachment proceeding came regularly before us.

"Suppose that afterwards the House began impeachment proceedings against Mr. Mellon, and found that he was guilty, and impeached him, and the articles of impeachment came to the Senate as a court to try Mr. Mellon. We would have already gone on record on the merits of a question upon which, regardless of how we should find, we could not act unless the official were impeached and we should be trying him for a violation of the law. It would at least put the Senate in rather an embarrassing position.

"Suppose we find the reverse of what I have suggested and the Judiciary Committee holds, upon hearings, that Mr. Mellon is guilty and that he has violated the law, what are we going to do about it? We can not try him. We can not both impeach him and try him. We are at the end of the string so far as the Senate is concerned. We have held that he is not guilty. We have in reality taken the place of the House of Representatives."

When a tribunal discovers that it has no jurisdiction the only order it may then properly enter is the order declaring that it has no jurisdiction.

Respectfully submitted,

HENRY F. ASHURST.

Mr. NORRIS. Mr. President, it seems to me that the views submitted by the Senator from Arizona call at least for a word from me. I do not want to engage in a discussion of this question now; I merely wish to say that the portion of the views submitted by the Senator from Arizona which quotes remarks made by me in the Senate when the Senate had the resolution under consideration expresses sentiments to which I still adhere. I thought it was wrong for the Senate to adopt the portion of the resolution to which I objected at the time, but the Senate adopted the resolution almost unanimously notwithstanding my objection. I regard it, therefore, my duty as a member of the Judiciary Committee to obey what to me seems like the Supreme Court. The Senate, notwithstanding my objection, having said, "Answer the question," therefore, submitting, as I think every Senator ought to do to a majority of his colleagues, I, in the best of faith, and by the expenditure of a great deal of time, undertook to answer the question which the Senate submitted, notwithstanding I believed then and still believe that it ought not to have asked the question. However, I thought then and think now that when the Senate passes judgment it is my duty as a Member of the Senate to abide by that judgment and to accept it in good faith, which I have tried to do.

The PRESIDING OFFICER (Mr. Fess in the chair). The Chair will inquire of the Senator from Nebraska whether the report and the several minority views are to be printed separately or in one document?

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. The Chair will state that reports and minority views submitted in the morning hour are not debatable.

Mr. ASHURST. I understand that; and therefore I rise to a parliamentary inquiry, as follows: What action, if any, may I adopt to have the views submitted by me printed in the RECORD and printed as a Senate document?

The PRESIDING OFFICER. In the absence of objection, that will be done.

Mr. ASHURST. As a Senate document and in the RECORD?

The PRESIDING OFFICER. The views of the Senator will be printed as such and, if there is no objection, they will also be printed as a Senate document. The Chair hears no objection.

Mr. NORRIS. I only rose, Mr. President, to answer the question of the Chair if the Chair has one that he desires to submit to me.

The PRESIDING OFFICER. The clerk at the desk would like to know whether it is desired to have the report and various minority views printed as separate documents or printed together as one document.

Mr. NORRIS. I think the report and the various minority views ought to be printed as one document.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LA FOLLETTE. Mr. President, am I to understand that the report and the various minority views which have been submitted are to be printed also as a Senate document? It seems to me hardly appropriate to print the minority views of one Senator as a Senate document and to print the others merely for the use of the Senate. If the minority views of one Senator are to be printed as a Senate document, it seems to me that the report and the minority views of other Senators should be included within it.

The PRESIDING OFFICER. Without objection, that order will be made, and the report and the various minority views will be printed in one volume as a Senate document.

PARAGUAY-BOLIVIA ARBITRATION COMMISSION

Mr. BINGHAM. Mr. President, we have with us to-day in the diplomatic gallery some very distinguished visitors. A short time ago our neighbors in Paraguay and Bolivia indulged in a brief dispute. Instead of proceeding to long and bloody warfare, as was the custom of our ancestors in ages past, they formed a commission to which the causes of their dispute are being submitted. That commission is composed of representatives of our neighbors to the south in Cuba, Mexico, Colombia, and Uruguay. There is also a representative of the United States.

It seems to me that that action on the part of Bolivia and Paraguay is one of the brightest spots in the whole course of the relations between the Republics of the Western Hemisphere. It is one of the most significant steps toward world peace that has ever been made in history.

Senator BINGHAM addressed the members of the commission seated in the diplomatic gallery as follows:

Quisiera ofrecer a nuestros distinguidos huéspedes la bienvenida cordial del Senado de los Estados Unidos de América.

ANDREW W. MELLON, SECRETARY OF THE TREASURY

Mr. REED. Mr. President, among the various reports which were presented from the Judiciary Committee in response to the resolution of the Senate regarding the status of Mr. Mellon, I noticed that the Senator from Oregon [Mr. STEIWER] asked that the majority report might go to the calendar.

It occurs to me that that is scarcely appropriate action with respect to a committee report which does not call for any action on the part of the Senate. If a committee reported a bill or resolution, or some other measure, requiring action by the Senate, it would very appropriately go to the calendar, and any Senator might offer a resolution to adopt the majority or minority report, and, of course, that would appropriately in time belong on the calendar. But a mere report, which calls for no action from the Senate, it seems to me, should not be placed on the calendar until some action is taken by some individual Senator in the way of offering a motion to accept it or a resolution to accept or reject it. Therefore, with the permission of the Senator from Oregon, I will ask that the action placing the report on the calendar be rescinded.

Mr. STEIWER. Mr. President, that request is entirely acceptable to me. I think, indeed, the Senator is right. The only purpose I had in mind is entirely answered by the action of the Senate subsequent to the filing of the report by which the report and various views are to be made a Senate document.

The VICE PRESIDENT. The report will be printed.

Mr. NORRIS. Mr. President, to me it is entirely immaterial whether this goes to the calendar or not; but it must go somewhere, and it seemed to me that the calendar was the proper place for it. But as I look at it, since the controversy has arisen, it will be a matter for the Chair to decide what shall be done with this kind of a report; and whatever the decision may be, it will be entirely satisfactory to me.

The VICE PRESIDENT. The practice has been to print such a report and have it lie on the table.

Mr. ROBINSON of Arkansas. Mr. President, I wish to ask the Senator from Nebraska and other Senators who have been discussing this subject whether it is expected that any resolution shall be offered or any other action taken by the Senate touching the eligibility of the Secretary of the Treasury.

Mr. REED. Mr. President, so far as I know, no such action is expected, but it is within the power of any Senator to make a motion or to offer a resolution about it.

Mr. ROBINSON of Arkansas. Certainly.

Mr. WALSH of Montana. Mr. President, I desire to say that the resolution under which the committee acted was introduced by the senior Senator from Tennessee [Mr. McKELLAR], and I suppose no action ought to be taken concerning the matter in his absence. I suggest that the matter lie on the table, as suggested by the Chair, until the Senator from Tennessee is present.

Mr. ROBINSON of Arkansas. I merely wish to say that, as I recall, the resolution of the Senator from Tennessee under which the Judiciary Committee proceeded instructed that body to inquire into certain legal propositions, and I presume the various reports submitted are responsive to the resolution. If that be true, unless some motion is made hereafter, no action can be taken.

Mr. NORRIS. Mr. President, in answer to the suggestion made by the Senator from Arkansas [Mr. ROBINSON], the resolution under which the committee acted was a resolution submitting to the committee two interrogatories. The committee were directed to answer certain questions. All of the reports except those that hold that nobody has any jurisdiction undertake to answer those questions. As I understand it, the committee has now performed the function submitted to it by the Senate and has answered the questions. As I look at it, the committee has nothing further to do in the matter.

As far as I am concerned, I do not anticipate taking any action, but it is up to the Senate; and in that respect I suppose the Senator from Tennessee, the author of the resolution, will probably be consulted or will probably desire to take some action. I am not informed as to that. As far as the committee is concerned, I think they are through with it.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 22) to provide for the study, investigation, and survey, for commemorative purposes, of battle fields in the vicinity of Richmond, Va., in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 22) to provide for the study, investigation, and survey, for commemorative purposes, of battle fields in the vicinity of Richmond, Va., was read twice by its title and referred to the Committee on Military Affairs.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COPELAND:

A bill (S. 996) to extend sections 204 and 209 of the transportation act, 1920, to certain coastwise water carriers in the same manner and to the same extent as it applies to railroads and rail-owned water lines similarly situated; to the Committee on Interstate Commerce.

By Mr. WALSH of Massachusetts:

A bill (S. 997) for the relief of Fannie C. Marden; to the Committee on Claims.

By Mr. WAGNER:

A bill (S. 998) granting a pension to William H. Bruns; to the Committee on Pensions.

A bill (S. 999) to amend section 118 of the Judicial Code, to provide for the appointment of law clerks to United States circuit judges; to the Committee on the Judiciary.

By Mr. THOMAS of Oklahoma:

A bill (S. 1000) granting a pension to Luverna Stine (with accompanying papers); to the Committee on Pensions.

By Mr. WARREN:

A bill (S. 1001) granting a pension to Joseph Baker (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 1002) to amend an act entitled "An act to provide for the further development of agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act entitled 'An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and mechanic arts,' approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture," approved May 22, 1928; to the Committee on Agriculture and Forestry.

By Mr. BURTON:

A bill (S. 1004) for the relief of E. H. Stephens; to the Committee on Claims.

A bill (S. 1005) to correct the military record of Robert Williamson; to the Committee on Military Affairs.

By Mr. VANDENBERG:

A bill (S. 1006) to provide for the appropriate marking of the graves of widows of soldiers, sailors, and marines of all wars in national and State cemeteries; to the Committee on Military Affairs.

A bill (S. 1007) to provide for a preliminary examination and survey of St. Ignace Harbor, Mackinac County, Mich.; to the Committee on Commerce.

By Mr. SMITH:

A bill (S. 1008) granting a pension to William E. McIntosh; to the Committee on Pensions.

By Mr. BRATTON:

A bill (S. 1009) to amend section 304 of the World War veterans' act, 1924, as amended; to the Committee on Finance.

By Mr. METCALF:

A bill (S. 1010) granting an increase of pension to Hannah E. Reynolds (with accompanying papers); to the Committee on Pensions.

By Mr. BURTON:

A joint resolution (S. J. Res. 33) providing for payment of compensation for services of members of local draft boards who served also as clerks of their respective boards; to the Committee on Military Affairs.

COMPETITION IN THE MOTION-PICTURE INDUSTRY

Mr. BROOKHART. I introduce a bill relating to the motion-picture industry, which I ask to have referred to the Committee on Interstate Commerce.

A bill (S. 1003) to prevent the obstruction of and burdens upon interstate trade and commerce in copyrighted motion-picture films, and to prevent restraint upon free competition in the production, distribution, and exhibition of copyrighted motion-picture films, and to prevent the further monopolization of the business of producing, distributing, and exhibiting copyrighted motion-picture films (a) by prohibiting the blind booking and block booking of copyrighted motion-picture films; (b) by prohibiting the arbitrary allocation of such films by producers and distributors to theaters in which they or other producers and distributors have an interest, direct or indirect; (c) by making unlawful the arbitrary refusal by producers or distributors to furnish such films to theaters in which they have no interest; (d) and by making unlawful any system for the arbitration of disputes arising out of the lease or license of such films which is imposed on the exhibitor against his will and/or which is enforced by the coercive action of producers or distributors not parties to the dispute, was read twice by its title and referred to the Committee on Interstate Commerce.

Mr. BROOKHART. Mr. President, I desire to say a few words in explanation of the bill.

The bill I have just introduced is designed to preserve for the American people the remaining vestige of competition in the motion-picture industry and to create conditions under which, it is hoped, new competition may spring up.

That this is a proper concern of the Government is attested by the immense influence exerted on the countless millions who attend exhibitions of motion pictures plus the fact that this great monopoly has been made possible by the copyright law of the United States.

The result is to be attained by making unlawful the unfair and oppressive measures employed by the great producers and distributors in their competitive warfare against independent producers, distributors, and theater owners. The need for such legislation is indicated by the feeble, futile attempts of the executive and administrative branches of the Government to secure relief under existing statutes.

To make plain that this bill deals with stern realities, not shadows, it will be profitable to review very briefly the "trustification" of the industry, beginning with the formation of the so called Hays organization in 1922.

THE HAYS ORGANIZATION

Prior to 1922 the motion-picture industry was characterized by competition. The Famous Players-Lasky Co., headed by Adolph Zukor, was the most important concern. Every attempt by Zukor to monopolize the business met with determined opposition. The First National and United Artists were organized in protest against the policies of Zukor. The efforts of the Zukor interests to crush this competition are graphically related in the pleadings, evidence, and findings in the case brought by the Federal Trade Commission against the Famous Players-Lasky Co. Block booking and blind booking, two of the practices against which my bill is directed, figured largely in that action.

Ostensibly to "purify" the industry, which was falling into disrepute due to scandalous conduct of certain actors and the production of off-color pictures, Will H. Hays, Postmaster General in the Harding Cabinet and former chairman of the Republican National Committee, was called on to spread the formaldehyde. Hays having successfully rescued the party from its burden of debt by measures since revealed, and being regarded as specially qualified as a reformer, undertook the assignment for a miserly stipend, said to be upward of \$100,000 a year.

The declared purpose of Hays's appointment soon faded from view. It may be asserted without fear of contradiction that Mr. Hays has done nothing toward improving the moral tone of the movies. He has from time to time forbid the picturization of certain stories such as *Rain* and *The Green Hat*, but the stories promptly appeared as *Sadie Thompson* and *A Woman of Affairs*. Hays may have been hired to give orders to his employers, but there is no obligation on the part of those who pay him to obey such orders.

The truth is that Hays was employed primarily as a "fixer" to protect the industry against any sort of reform or regulation through public action. He immediately surrounded himself with politicians of the same school as himself, and these worthies, led by C. C. Pettijohn, an Indiana Democratic politician, are engaged in continuous warfare against reform measures in Congress and the State legislatures. What their annual expenditures amount to, one can only imagine; but a recent issue of *Film Daily*, a trade paper, stated that 167 measures had been contested in 43 States during the past winter.

One hundred and sixty-one of the measures, it was announced, had been defeated and six remained to be dealt with.

There is no record of Hays's accomplishments in the executive and administrative branches of the National and State Governments, but clearly they have been of a high order. There has been no determined action by any department of the Federal Government to enforce the law against the Motion Picture Trust. On the other hand, the Department of State is in a continual fret over the threatened exclusion of American films by foreign countries, and many are the sharp notes sent to friendly France on this subject.

The other real purpose for which Mr. Hays was employed was to end the competition existing among the producers and distributors and to pave the way for the monopolization of the entire industry, including the exhibition field. So successful has been the plan that the producers and distributors of 98 per cent of the film used in this country are now joined in an offensive alliance through the Hays organization.

No combination ever before represented such absolute control of an industry in the economic history of the United States.

WIPING OUT THE INDEPENDENTS

The Hays organization soon after its formation concluded its conquest of the production and distribution of pictures—the few remaining independents having signed up or passed out.

Attention was then directed toward the field of exhibition, which rested largely in the hands of independent theater owners. These exhibitors already were experiencing difficulty due to the block booking and blind booking of motion pictures, a practice fastened on the industry by the Famous Players-Lasky interests.

To make uniform the imposition of these onerous conditions and many others, a standard film-rental contract was devised and put into effect by all members of the Hays organization. The signing of such contract is a condition precedent to the right to buy films. A Pennsylvania judge, in awarding an injunction against this contract, characterized it as utterly one sided. It not only lacks mutuality, but there is an element of coercion in it, since an exhibitor can not obtain the necessary product to run his house without signing the contract.

The subjugation of the exhibitor is made complete by a provision requiring him to submit all disputes arising under the contract to arbitration and to comply with the award. Failure to arbitrate or to abide by the decision results in the exhibitor being placed on the cash-deposit list, not only by the producer-distributor with whom the dispute arose, but by all other producer-distributor members of the Hays organization.

These kangaroo courts sit in 32 cities of the United States, and an exhibitor, who enjoys the right to be sued in the place of his residence by organic law, frequently must travel long distances and go out of his State to respond to the summons of these coercive tribunals.

Nor do these bodies practice arbitration in the true sense of the term. They do not decide controversies according to right and justice. They merely compel specific performance of these one-sided contracts. They are expressly forbidden to depart from the strict letter of those agreements. No matter how inequitable may have been the conduct of the distributor or his agents, no matter what representations or misrepresentations they may have made, the arbitrators may not depart from the terms of the agreement.

Never before was any group of business men so completely subjugated as are the independent theater owners of the United States.

GROWING CONCENTRATION OF CONTROL

Not only has competition been largely eliminated by the unified tactics of the producers through the Hays organization

but the producers themselves are fast concentrating control in the hands of a few by the systematic merging of competitors.

Since the hearings before the Interstate Commerce Committee on my former bill (S. 1667) which revealed a high degree of concentration, Warner Bros., large producers of fine pictures, have acquired the First National Co., a large producing organization which, in turn, controlled the Stanley Co., owning and operating a great chain of motion-picture theaters.

William Fox, a great producer and theater owner, formerly an independent, has acquired, through one of his controlled companies, the Metro-Goldwyn-Mayer Co., credited with being the second largest producing organization, and controlling, in turn, Loew's (Inc.), a great theatrical chain.

In addition, Fox has acquired the great West Coast, Poli, and Skouras Bros.' interests and is about to exercise options on practically every independent theater of any size in New York City.

According to the screen press, negotiations are now under way for Warner Bros. to acquire United Artists, a former independent, making pictures of the highest quality and possessing a number of fine picture houses.

Current stories in the screen press—see Greater Amusements, April 27, 1929—indicate that the present powerful Paramount-Famous-Lasky Corporation, headed by Adolph Zukor, is about to acquire the newly formed Radio-Keith-Orpheum Co., which owns a large string of houses and is rapidly getting into production in a large way.

The rumor in the trade press is that when these arrangements have been completed Paramount-Famous-Lasky Corporation will take over the Warner Bros.' interests, leaving only Paramount and Fox capable of meeting the year-round requirements of the exhibitors of the United States.

PLIGHT OF THE THEATER OWNER

This reduction of the sources of supply represents only one of the pressing problems of the independent exhibitors. Their most serious problem results from the competition of the producer-owned theater.

When the producers first began to exhibit films in the large "key" theaters they justified themselves on the ground that such invasion of the exhibition field was necessary to advertise the films.

For several years the producers have been building and acquiring theaters at an amazing rate, and their actions are altogether inconsistent with a purpose merely to advertise films. Not only that, but they have used their control of the films in a palpable effort to drive the independent theater owners out of business.

A producer will allocate his product arbitrarily to an owned or affiliated theater. An independent theater owner may be able and willing to pay as much or more for a particular picture, but the producer, standing on his asserted right to choose his own customers under any and all circumstances, will allocate the film to the affiliated house.

And the discrimination does not end there; they still enforce what they call "clearance" or "protection." This means that the favored "first-run" house is given protection extending from 30 days to six months over subsequent run houses. In other words, the contract between the producer and his affiliated theater will provide that the film shall not be leased for exhibition in any other theater in the competitive territory for the periods stated.

The reasonable protection accepted by the industry without serious protest in the beginning has been stretched to unreasonable lengths. I will venture to say there are few Senators who have not received protests relative to the inability of independent theater owners to obtain films until they are so old that their drawing power is gone.

Coupled with this is the power and temptation of the producers to favor each other in the distribution of their products to the detriment of the independent theater owner. Thus Paramount, after having taken care of its great Publix chain of theaters, will naturally prefer to sell to Fox, with his enormous buying power, than to an individual exhibitor or small chain, and vice versa. A trade paper estimates that Fox's buying power next year will approximate \$65,000,000.

With the great producers playing into each others hands in this fashion, the independent theater can not long survive.

IS MONOPOLY DESIRABLE?

The argument is offered that we must have a virtual monopoly in the motion-picture business if we are to have fine pictures and fine houses—that the little fellows can not be relied on to provide such luxuries.

This claim has been widened recently and we hear the recently indicted head of the West Coast Theaters asserting that the

public can not have de luxe houses without the exaggerated protection given such houses by the producers.

This all means that in the mind of the producers, the public can not have what it wants, or what the producers want it to have, until every remaining vestige of competition has been suppressed.

In other words, this great industry wielding such an immense influence on the lives, culture, and manners of the people can never render the maximum of service until it has come under the complete ownership and domination of Adolph Zukor, William Fox, and Will H. Hays!

It is safe to say that no considerable portion of our population would choose this particular triumvirate to dominate the educational institutions of the country. Yet they are fast achieving a position of equal, or greater, importance.

The only way in which the public can retain any control over the kind of pictures shown on the screen is to retain the independent theater owner, insure to him the right to select his films, and then hold him responsible for the kind of films he shows.

The latest cry of the Hays organization in its war on censorship is "selection—not censorship." And yet the policy and every act of the Hays organization has been in the direction of denying to theater owners—the only branch of the industry with which the public has contact—the right to select their films.

The cry was recently uttered before a gathering of patriotic women in Washington, the Daughters of the American Revolution, but no one suggested how the slogan could be squared with the policy of block booking and blind booking films.

HOW THE BILL WILL HELP

My bill is designed to outlaw the blind booking, block booking, and arbitrary allocation of films. To this extent it is very similar to my former bill. It will have the effect to vest in the owner of the family theater the right of selection in buying films. With this right vouchsafed to the theater owner, parents can demand of him that he show the right kind of pictures for their children to see.

In addition, I have made provision for outlawing any system of compulsory arbitration imposed on exhibitors by a uniform contract against the will of the exhibitor at the time the agreement is made; also for outlawing any form of enforcing arbitration or arbitration awards which involves the coercive action of persons not parties to the immediate controversy.

There is provision for the making of rules and regulations for the carrying into effect of the law by the Federal Trade Commission. Should the industry be able to agree on satisfactory methods and differentials in price between single pictures and groups the commission might never have to exert this authority. In other words, the industry under this bill would be able to practice the policy of self-regulation for which its spokesmen so loudly cry.

This bill will doubtless meet with the horrified cry of "Government regulation," as was the former. Such regulation, if it comes, will be due solely to the grasping policy and oppressive practices of the producers. They have long had it in their power to avoid such regulation by a little enlightened moderation. As regards the exhibitors, their position is summed up in a recent declaration by one of their leaders, that they do not desire Government regulation as such, but they would rather remain in business with regulation than to be driven out of business for want of it.

AMENDMENTS TO FARM RELIEF BILL

Mr. VANDENBERG and Mr. CAPPER each submitted an amendment intended to be proposed by them, respectively, to Senate bill 1, the farm relief bill, which were ordered to lie on the table and to be printed.

CORPORATION PROFITS

Mr. FLETCHER. Mr. President, I hold in my hand quite an interesting statement which appears in the Manufacturers' News for May, 1929, published in Chicago. It is entitled "Many Companies Report Rise in Net Profits." It is relevant, it seems to me, when we are considering help for agriculture to note the profits that are being made by corporations, and particularly the corporations that manufacture goods which the farmer must have and for which he must pay.

The statement shows that the corporation profits for 1928 over 1927 out of 38 industries averaged an increase of 17.19 per cent. Some of the profits in 1928 over 1927 ranged as high as 60 per cent. For instance, amusement companies showed 8.65 per cent increase in 1928 over 1927; automobile manufactures, 19.67 per cent increase; auto parts and accessories, 60.86 per cent increase; brass and copper products, 56.59 per cent; building supplies, 1.37 per cent; business equipment, 24.44 per cent; chemicals, 31.62 per cent increase in 1928 over 1927; department stores, 8.86 per cent increase; drugs, 15.42 per cent increase;

bakeries, 5.26 per cent increase; beverages and confections, 10.97 per cent increase; other food products, manufactured, 14.71 per cent increase; hardware manufactures, 20.05 per cent increase; iron and steel, 33.28 per cent increase; machinery, tools, 21.92 per cent increase; metal products, 30.44 per cent increase; mining and smelting, 43.78 per cent increase; oil producers and refiners, 94.44 per cent; paper manufacturers, 11.57 per cent; unclassified industrials, 17.51 per cent; public utilities, 18.70 per cent; railroads, 9.90 per cent; financial—it is classified as financial, and I suppose that means financial institutions, investment companies, and the like—70.36 per cent in profit in 1928 over 1927.

The total is given and the average of the 38 industries showing an increase in activities in 1928 over 1927 is given as 17.19 per cent.

Mr. WALSH of Montana. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Montana?

Mr. FLETCHER. I yield.

Mr. WALSH of Montana. Let me inquire of the Senator from Florida if it gives a list of those industries in which the profits declined?

Mr. FLETCHER. There are a few of those. I had not mentioned them, but I shall be glad to do so.

Mr. WALSH of Montana. Could the Senator indicate the class of industries in which the profits have declined?

Mr. FLETCHER. Clothing manufacturers, 13.30 per cent; restaurant chains, 9.77 per cent; furniture manufacturers, 2.75 per cent; glass products, 0.87 per cent; railroad equipment, 25.52 per cent; rubber products, 79.98 per cent; shoe manufacturers, 11.39 per cent; textiles, 15.93 per cent; miscellaneous traders, 1.70 per cent decrease. That comprises out of the 38 all where there is shown any decrease in the profits in 1928 under those of 1927.

I ask to have this page of the article, which includes the list I have mentioned, printed in the Record.

Mr. WATSON. Mr. President, my attention was diverted at the beginning of the Senator's statement. I was wondering what is the object of it.

Mr. FLETCHER. The object of it is to show that the industries named, to a very large extent, manufacture things which the farmer must buy and consume and shows that they have been making these enormous increases in profits. It shows also that the railroads themselves have had an increase of 9.90 per cent in profits in 1928 over 1927. These are all industries which have a bearing on the prosperity of agriculture. The farmer is obliged to pay more and more for everything he consumes, and he is practically the only man engaged in any great industry who is losing money all the while and making no profits at all. It seems to me it has a bearing on that question. These corporations enjoying this increase in profits year after year are furnishing much of the opposition to any measure aimed and intended to benefit agriculture. It is an illustration of the selfishness which prevails.

Mr. KING. Mr. President, will the Senator yield?

Mr. FLETCHER. Certainly.

Mr. KING. Mr. President, it seems to me the Senator from Florida at this particular juncture is doing a disservice to those poor little "orphans" who for a number of months at the other end of the Capitol have been portraying to the American people with tears in their eyes all of their very great poverty and the importance of permitting them to extort greater amounts from the farmers and the American people by increasing the tariff rates. There will be reported to the House to-day, I believe, a tariff bill which answers the demands of these poor little "orphans" and poor people who claim that they have made no great profit and who now demand the right to increase their extortionate charges.

Mr. FLETCHER. I thank the Senator for his reference. That is one thing I had in mind. Most of the industries that have been making such tremendous increases in their profits year after year are now here asking for higher protection duties in order that they may live and survive, and are classed as infant industries and the like. It has that bearing also. They are generally opposed to an increase in duties on agricultural products. They raise the cry of increase in the cost of living, but they do not apply that objection to themselves; they insist on greater and greater profits for themselves.

I think when an examination is made of the statement and the figures contained therein it will throw some light on the question of farm relief, so called, or agricultural aid, and also on the question of the tariff with which we will have to deal at this session.

I renew my request that the statement may be printed in the Record.

The VICE PRESIDENT. Without objection, it is so ordered. The statement referred to is as follows:

MANY COMPANIES REPORT RISE IN NET PROFITS

Total net profits of 1,042 companies in 38 business groups amounted to \$3,748,051,000 in 1928, an aggregate gain of 17.19 per cent over 1927 and 11.35 per cent over 1926, according to a compilation prepared by Ernst & Ernst, accountants, from published financial statements.

For 815 industrials the compilation shows an aggregate increase in earnings over 1927 of 20.49 per cent; for 120 public utilities, an increase of 18.70 per cent; 82 railroads, 9.90 per cent; 25 financial institutions, 70.36 per cent.

But this improvement was quite irregular, both by groups and by members of the same groups. Of the 815 industrials, 516 were up, 299 were down; of 120 public utilities, 92 were up, 28 down; 82 railroads, 54 up, 28 down; 25 financial companies, 21 up, 4 down. Furthermore, of the 35 groups of industrials, 9 showed lower earnings in 1928 than in 1927; clothing manufacturers, restaurant chains, furniture manufacturers, glass products (very slight decrease), railroad equipment, rubber products, shoe manufacturers, textiles, and miscellaneous traders. The other industrial groups showed increases by widely varying percentages. Of the 38 groups in all, 14 showed aggregate profits lower in 1928 than in 1926 as compared with the 9 which were lower in 1928 than in 1927. Three groups showed continued downward trend through both 1927 and 1928.

EXPLAINING PRICE DECLINES

Varying factors were responsible for the failure of certain industries to realize their share of the Nation's prosperity. In some lines excess capacities and overproduction created extremely competitive situations resulting in price declines. In others foreign competition and outside influences on commodity prices were the cause of material shrinkages which had to be absorbed in operations. In still other instances a generally depressed condition of earlier years continued into 1928, and these industries apparently have not yet been able to adjust themselves adequately to present-day demands. Changing trends in the general economy of business likewise have had their effects, aiding certain industries but making it harder for others.

The figures themselves do not give an accurate picture of improvement from year to year. Industry is continually tending toward consolidations and the building of larger units through the acquisition of businesses in either related or unrelated lines. Any compilation such as this which compares the profits of individual companies over periods of time necessarily fails to measure the earnings of these added businesses applicable to the years prior to their acquisition by the present owners. This factor, among others, would seem to suggest that any cross-sectional study of the trend of business profits might indicate a slightly more favorable operating progress than would be borne out by a complete summary of industry as a whole. These earning figures may paint the picture a little too bright.

Expansion of industries through the opening of new fields or new markets likewise tends to influence unduly a current year's showing compared with that of a previous period to the extent that present returns include any displaced business of other lines or enterprises. This is particularly evident in the case of chain stores, public utilities, etc., but is by no means limited to these groups. While the difference or increased earning power may be partly offset by added costs usually incident to acquisition of new properties or expansion into new fields, it is probable that current profit figures contain increases which, as a general rule, exceed these added costs.

Corporation profits, 1928 and 1927

Industrials	1928 profits (000 omitted)	In- crease over 1926	1928 over 1927	Number of companies		
				Over 1927	Under 1927	Total
		Per cent	Per cent			
Amusement companies.....	\$14,905	14.94	8.65	3	4	7
Automobile manufacturers.....	365,076	38.74	19.67	11	1	12
Auto parts and accessories.....	60,137	56.31	60.86	24	3	27
Brass and copper products.....	12,054	43.55	56.59	8	3	11
Building supplies.....	60,588	16.63	1.37	41	28	69
Business equipment.....	1,866	26.57	24.44	3	0	3
Chemicals.....	74,315	33.01	31.62	10	2	12
Clothing, manufacturers.....	17,322	14.03	13.30	15	22	37
Coal mining.....	6,013	146.14	1.87	5	4	9
Department stores.....	136,086	27.42	8.86	25	11	36
Drugs.....	20,161	17.17	15.42	11	1	12
Electrical supplies.....	5,084	14.74	2.45	5	2	7
Bakeries.....	42,627	13.25	5.26	4	5	9
Beverages, confections.....	28,213	20.71	10.97	9	4	13
Meat packers.....	22,632	17.78	43.46	14	3	17
Restaurant chains.....	5,327	14.32	19.77	1	3	4
Other food products.....	113,189	20.26	14.71	27	14	41
Furniture manufacturers.....	7,204	120.39	12.75	3	6	9
Glass products.....	2,653	16.08	1.87	2	3	5
Hardware manufacturers.....	3,971	11.86	20.05	6	1	7
Iron, steel.....	200,472	11.19	33.28	23	1	24
Machinery, tools.....	39,396	11.93	21.92	39	16	55

Decreases.

Corporation profits, 1928 and 1927—Continued

Industrials	1928 profits (000 omitted)	In- crease over 1926	1928 over 1927	Number of companies		
				Over 1927	Under 1927	Total
		Per cent	Per cent			
Metal products—sundry.....	36,784	15.15	30.44	14	11	25
Mining and smelting.....	114,379	33.14	43.78	20	7	27
Oil producers and refiners.....	223,985	19.75	94.44	30	9	39
Paper manufacturers.....	13,830	5.09	11.57	15	9	24
Printers, publishers.....	7,307	46.80	17.70	8	4	12
Railroad equipment.....	24,656	142.08	125.52	5	11	16
Real estate, insurance.....	25,277	157.79	30.54	11	3	14
Rubber products.....	9,601	138.76	179.98	2	8	10
Shoe manufacturers.....	23,459	11.92	11.39	2	6	8
Textiles.....	13,159	165.12	115.93	21	29	50
Tobacco products.....	86,850	7.27	1.99	11	5	16
Miscellaneous traders.....	8,374	26.86	1.70	25	27	52
Unclassified industrials.....	58,023	19.87	17.51	63	33	96
Total industrials.....	1,885,005	13.90	20.49	516	299	815
Public utilities.....	672,713	32.75	18.70	92	28	120
Railroads.....	1,140,776	13.13	9.90	54	28	82
Financial.....	49,557	85.63	70.36	21	4	25
Total.....	3,748,051	11.35	17.19	683	359	1,042

¹ Decrease.

ADDRESS BY INTERSTATE COMMERCE COMMISSIONER AITCHISON

Mr. COUZENS. I ask unanimous consent to have printed as a public document an address delivered by Interstate Commerce Commissioner Aitchison at Princeton University, Princeton, N. J., on March 19 last.

The VICE PRESIDENT. Is there objection?

Mr. HEFLIN. Mr. President, we on this side of the Chamber could not hear what was said by the Senator from Michigan, and we desire to know what the Senator wishes to have printed.

The VICE PRESIDENT. The Secretary will state the title of the document which is desired to be printed by the Senator from Michigan.

The Chief Clerk read as follows:

THE ORGANIZATION AND MANNER OF WORK OF THE INTERSTATE COMMERCE COMMISSION

By Clyde B. Aitchison, an Interstate Commerce Commissioner

A lecture, under the Cyrus Fogg Brackett Foundation, before the faculty and students of the School of Engineering, Princeton University, March 19, 1929.

The VICE PRESIDENT. In the absence of objection, the address will be printed, as requested by the Senator from Michigan.

PROPOSED DEPARTMENT OF EDUCATION

Mr. RANDELL. Mr. President, I ask permission to have inserted in the RECORD an article from the United States Daily of May 4 entitled "Mr. Wilbur Says Department of Education is Unnecessary—Adequate Position in Some Existing Governmental Branch Favored—Centralization, Backed by Large Financial Resources, Viewed as Menace." In connection therewith I ask to have inserted in the RECORD also a very excellent editorial in the Washington Post of May 5 entitled "A Stroke for Liberty."

The VICE PRESIDENT. Without objection, it is so ordered. The article and editorial are as follows:

MR. WILBUR SAYS DEPARTMENT OF EDUCATION IS UNNECESSARY—ADEQUATE POSITION IN SOME EXISTING GOVERNMENTAL BRANCH FAVORED—CENTRALIZATION, BACKED BY LARGE FINANCIAL RESOURCES, VIEWED AS MENACE

Centralization in the National Government of any large educational scheme backed by extensive financial resources would be a distinct menace, the Secretary of the Interior, Ray Lyman Wilbur, stated in an address on May 3 before the twelfth annual meeting of the American Council on Education, held at the National Research Council in Washington, D. C.

The creation of a Federal department of education is not required, he asserted. All that is needed, he said, is an adequate position for education within a department and with ample funds for research, survey, and other work.

Secretary Wilbur emphasized in this connection the need for local self-government in education, asserting that too much help from afar would be harmful to the initiative and self-reliance requisite for character in a community. The address follows in full text:

DISTRIBUTION OF TAX POWER

"I have often wished that I might have had the pleasure of sitting in at the discussions when the basic principles underlying the organization

of the United States of America were being thought out loud by men like Thomas Jefferson and Benjamin Franklin. It seems to me that the wisest and shrewdest thing that was done was to encourage universal public education as the basis upon which citizenship should rest. The schoolhouse and the church have been the earliest community enterprises throughout the history of our gradual conquest of a great continent. They came just as soon as sustenance and defense had been mastered. In themselves they were most significant, because they brought local self-government and self-control into play.

"There has been a unique distribution of the taxing power so that the majority of the expenditures for taxation have been raised and spent in the local districts and only a modest percentage outside of those for war and its after effects has come from the central Government in Washington. This, together with the organization of the State governments, has permitted of a wide range of development in the public schools. Fortunately, too, there were no national and the State universities followed a prolonged period of privately operated and later privately endowed institutions of higher learning. When the State universities appeared they were under the constant stimulation of private and independent institutions of equal rank. This kept the hand of centralized government largely off of the school-teacher and the school-room.

SOME INADEQUACIES ASSERTED

"Of course, there have been marked inadequacies in districts without a proper sense of self-government, without natural organizing power, and without financial strength. Some of those who have looked over our educational system have noticed only these dark spots and have thought that a national mechanism should be devised that would be nation-wide in scope and would bring these weaker or dark spots at least up to the average level of the country. Correction of abuses is a poor method of developing proper administration. It seems to me that there is a distinct menace in the centralization in the National Government of any large educational scheme with extensive financial resources available. Abnormal power to mold and standardize and crystallize education which would go with the dollars would be more damaging to local government, local aspiration and self-respect, and to State government and State self-respect than any assistance that might come from the funds.

"We can not rise higher than our source. That source in government with us is local. The family and the local community must be the places where citizenship is built and where the fiber of the Nation is strengthened and its forces recruited. Too much help from afar is harmful to the initiative and self-reliance requisite for character in a community.

FUNCTIONS OF GOVERNMENT

"The place of the National Government is not that of supplying funds in large amounts for carrying on the administrative functions of education in the communities, but to develop methods, ideals, and procedures, and to present them to be taken on their merits. The National Government, too, can give widespread information on procedures, can report on what is actually going on in different parts of the country and in the world, and can unify to some extent the objects of those in the field of education in so far as unification is desirable. There is a distinct place for this sort of thing in the administrative side of the National Government, but it should not be recognized as an administrative position with large funds at its disposal. A department of education similar to the other departments of the Government is not required. An adequate position for education within a department and with sufficient financial support for its research, survey, and other work is all that is needed.

GAINS SAID TO BE POSSIBLE

"Great gains are possible in our whole educational scheme through national leadership provided in this way. Education is preparation for the future and there must be constant change to keep in step with the advances made. Our conceptions regarding the mental make-up of children are shifting and the requirements of life are changing with a civilization which is being revamped by the practical applications of science and invention. The object of those of us who seek the greatest possible advantages for all from education can, it seems to me, be accomplished without disturbing the initiative and responsibility of local and State units of government."

[From the Washington Post, May 5, 1929]

A STROKE FOR LIBERTY

The stand taken by Secretary Wilbur against the proposed creation of a Federal department of education reflects the general policy of President Hoover in putting a check to the growth of bureaucracy. Mr. Wilbur's brief statement to the American Council on Education sums up admirably the reason why the Federal Government should leave control of the schools to the States. He suggested that the proper function of the Government in the field of education was to make research and develop methods, ideals, and procedures which would be available to the school authorities of the States. With sufficient funds to do this work properly, nothing more would be needed and no additional authority or money should be granted. Mr. Wilbur added:

"Abnormal power to mold and standardize and crystallize education, which would go with the dollars, would be more damaging to local government, local aspiration, and self-respect and to State government and State self-respect than any assistance that might come from the funds. We can not rise higher than our source. The source of government with us is local. The family and the local community must be the places where citizenship is built and where the fiber of the Nation is strengthened and its forces recruited. Too much help from afar is harmful to the initiative and self-reliance requisite for character in community. There is a distinct menace in the centralization in the National Government of any large educational scheme with extensive financial resources available."

The educators who are enamored of the idea of utilizing the power of the Government in controlling education overlook or disregard the evils that would result from such a radical departure in government. A vast bureaucracy would be necessary to make the plan effective. With the power and money that would be available it would be impossible to prevent abuses that would scandalize the country and array its citizens into hostile camps. The controversy over the liquor question is mild in comparison with the furious civil commotion that would result from powerful official attempts to mold the education of American youth. Religious, moral, and political quarrels would ensue, all of them embittering the people and alienating their devotion to the Government.

Assuming that the Government could direct the educational system of the country, the result would be a disastrous leveling-down process in the inevitable standardization methods. Education would be geared to dullness and ignorance in the laudable effort to lift up the whole mass. A national religion would be demanded and opposed. Questions of moral instruction would arise, and the country would witness the spectacle of a Government department attempting to regulate the country's morals.

Too much power has already been surrendered by the States to the National Government. The people are discovering that they made a mistake when they delivered the State police power over to the Government in the matter of controlling or suppressing the liquor traffic. The States can control or suppress the liquor traffic, but the Government can not do so unless it sets up a national police force permeating every nook and corner of the country.

The police power of the States covers education, morals, health, and public order. American liberty is impaired when the States and local communities deliver any of this power to a bureaucracy in Washington. The delivery of the State power over education, following the relinquishment of power to maintain public order, which is the essence of the liquor problem, would destroy one of the pillars of the States and thus tend to destroy the Union itself. The Union can not survive unless the States remain indestructible.

When the Hoover administration sets its face against the surrender of the powers of the States it contributes to the maintenance of the United States itself.

SINKING OF THE STEAMER "VESTRIS"

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the New York World urging the adoption of a resolution submitted by me providing for an investigation of the *Vestris* disaster.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LOG OF THE "VESTRIS"

The principal witness before the board of trade inquiry in London into the loss of the steamship *Vestris* is her chief officer, F. W. Johnson. He attributes the foundering of the ship with a loss of more than 100 lives to bad weather, of course; to the fact that water got into the between decks; and to "too much top weight." Three automobiles from cargo "broke into the sailors' accommodations."

We know from other testimony that the *Vestris* left New York with an overload of 200 tons and with a list. The overload was not illegal in New York. It would have been illegal in Liverpool. Intimations recur that this overload was to be soft pedaled on the ship's log. Questioned by Mr. Digby, counsel for the officers, Mr. Johnson testified as follows:

"Q. Did you understand from what Mr. Sanderson, former chief officer of the *Vestris*, told you that your log book must not show that the vessel had been loaded below her marks?—A. That is what I understood."

Later Mr. Johnson said, "I knew there was going to be trouble about the drafts from the beginning." As to the ship's log, Captain Carey himself bade Johnson be "careful" what he put into it about the overloading. Evidently it was not to be too loudly proclaimed and advertised.

The more this sad and needless loss of life at sea is investigated the more apparent it is that our navigation laws need reconsideration. As a useful preliminary to that process the Wagner resolution calling for a select committee of Senators to collect, collate, and study the evidence in the case should pass at this session of Congress. As things stand

those who go down to the sea in ships from ports of the United States may put their faith in the prudent management of the shipowners. If they put their faith in the law they are deceived.

HORACE MANN—ADDRESS BY SENATOR WALSH OF MASSACHUSETTS

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the speech delivered by the junior Senator from Massachusetts [Mr. WALSH] on May 4. It relates to "Horace Mann, the Founder of the Public-School System," and was given on the occasion of the dedication of a monument erected to Horace Mann by the town of Franklin on the homestead where he was born, in Franklin, Mass. This is an illuminating, interesting, and eloquent address.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HORACE MANN, THE FOUNDER OF THE PUBLIC-SCHOOL SYSTEM

John Adams, in a letter to Abbe de Mably in 1782, said that he had found the key to New England history in four institutions—the towns, the churches, the schools, and the militia. After reviewing the terms of the law in regard to schools, he said, "All the children of the inhabitants, the rich as well as the poor, have a right to go to these schools."

This has been the corner stone of our civilization. It has been the power that has extended our influence throughout the world. And here in Massachusetts we are justly proud, because it was here that the American system of common schools originated, and we are doubly proud to-day in honoring the memory of Horace Mann in the community of his birth, because he first systematized what had been formerly a general plan without form or coordination.

It has been well said that "God sifted the whole nation that he might send choice grain out into this wilderness." The New England Puritans were as much devoted to education as they were to religion. In every community the teacher was the next man in importance to the minister, and we are told that among the earlier colonists there could be found 1 Cambridge graduate for every 250 persons. It was in Boston that the first Latin school was established, the earliest educational institution in New England, and by 1647 seven similar schools were flourishing on the Massachusetts coast.

In 1636 the General Court founded Harvard College, the oldest American seat of higher learning. The first action of the Colony affecting general education was in 1641, when the General Court desired "that the elders would make a catechism for the instruction of youths in the grounds of religion." Later, and as early as June, 1642, the General Court enacted compulsory education and ordered that the selectmen in every town should be charged with the responsibility of educating in learning and employment profitable to the State, and especially to assure the ability to read and understand the principles of religion and the capital laws of the country. Here was the basis and the origin of that compulsory education which has been the boast of Massachusetts and which was gradually adopted in all of the States of the Union. It strengthened the arm of every man who later fought for freedom in the War of the Revolution and helped to assure an intelligent management of the new nation when that war succeeded.

While the act of 1642 made education compulsory, it did not provide schools or teachers, which, of course, left it only declaratory of a great principle, but on November 11, 1647, the General Court enacted a general school law, the first in American history, and ordered that every township which had 50 householders should establish a school and make proper provision for the teacher, and that every town that had 100 families should establish a grammar school, the master of which should be able to instruct youth so that they may be fitted for the university.

All of this legislation was passed upon the theory that it is profitable to the Commonwealth to diffuse education. In the elementary schools established under this act it was only necessary to teach reading and writing, so that the great bulk of the population received no further education. A few fitted for college in the Latin schools and still fewer were graduated at Harvard.

In the beginning it could not be said that these public schools were free, because the first planters paid school fees in England and this continued in their colonial homes. But step by step this led to the establishment of free schools, and the principle of town support grew gradually in strength. This result was inevitable, because the poor were unable to pay the cost of tuition of their children, and the line which was necessarily drawn between the poor and rich could not long be maintained in a democratic atmosphere.

The colonists seem to have become more and more impressed with the need of education, for in 1671 the General Court doubled the penalty imposed upon towns having 100 families that failed to support a Latin school, and a little later it was again doubled, and in 1683 provided that every town of more than 500 families should maintain two grammar schools and two writing schools. Of course, the French and Indian wars, with their attendant loss to the colonies, might have been a cause for doubling these penalties, because with the additional burden of war some of the towns might have neglected education. For a time the latter lagged, but when the death of King Philip finally

removed the greatest menace to colonial advancement, and there was an opening up of new territory, it went forward by leaps and bounds.

When, in 1780, the constitution of Massachusetts was adopted, it made a strong declaration for public education, much stronger than can be found in any other State constitution of the period, and was followed, in 1789, by a revision and a codification of the school laws. This would have been much more effective if the aftermath of the American Revolution did not find the country too much exhausted and too much distracted with many other things upon which money might be expended. It is rather significant that in this period there was a let-down in the standards of education. The district-school system was established, and there came a division of responsibility for its maintenance which, like every division of responsibility, led us to the edge of chaos.

In this hour of danger Horace Mann came upon the scene. Born in this community, of ancestry that was more than ordinarily distinguished, his boyhood experience had taught him the most important lesson of life—to work. His books were paid for by labor in the making of straw hats. He could never remember when he began to work, and he had no recollection of any days of recreation. He learned of the inefficiency of the early schools by his attendance at them. He knew the weakness of the theory that book-learning suffices for all. He knew that for generations the New England Primer had had more of a part in the education of youth than any one thing, except possibly the Bible. Its cuts, Bible facts, poetical selections, and biographies were intended to impress the minds of the young with the theories of theology, the harsh and unbending doctrines that then held sway. He knew something of untrained teachers, and a writer has well said that his teachers were good people but bad teachers.

In his boyhood the impressions were made upon his mind which in after years directed his course in the great work of education, for he was indeed the pioneer in America in the systematizing of its methods and the establishment of normal schools or teachers' colleges to provide for their proper training.

It seems interesting that he was born in Franklin and lived here in his youth, because you all remember what happened in connection with the naming of this town. It bears the name of one of the founders of this Republic, and it is said that when it was proposed to Doctor Franklin that the townspeople would build a steeple to their meetinghouse if he would give them a bell he characteristically made reply that he preferred sense to sound, and that they should spare themselves the expense of a steeple, and that he would make a gift of books instead of a bell. His offer having been accepted, he requested Doctor Price, of London, an old-time friend, to select a list of books to the value of £25, which might be the nucleus for the teaching of the principles of sound religion and good government, and Horace Mann reports that this little library, which was made up mainly of old histories and theologies, well suited to the day, was the inspiration of his earlier years. He lived to see the day when he himself was a leader in the movement to spread school libraries throughout the land.

He was educated for the law in the neighboring town of Wrentham and later at the law school of Litchfield, Conn., and was for about 10 years engaged in the successful practice of law. He served in the State house of representatives and in the senate, where he became its president. His first speech in the legislature was in defense of religious liberty, and while it is said that at times he showed illiberality, that was symptomatic of the times in which he lived. He made one of the first speeches on railroads ever printed in the country. He was deeply interested in the welfare of the insane, in a day in which they were neglected, and it was owing to his efforts that Worcester Hospital for the Insane, one of the earliest institutions of the kind in the country, was founded. That neglect of the insane was widespread at this time is evidenced by the indifference and strong opposition which his efforts met on every side.

And then he became the first secretary of the newly established board of education, and his hold upon fame became secure. He is known to the world over as the founder of that form of systematic education that now encircles the globe, and he was well fitted for his great task. He had been reared on a Massachusetts farm where his earliest lessons were those of toil and hardship. He had earned a college education. He had 10 years of active experience in public life and had been in the forefront of all public movements which meant the advancement of humanity.

At the age of 41 he abandoned his profession and retired from politics, because he heard a call of a great opportunity. He saw a chance for the improvement of his fellow men and he believed that education was the greatest means to that end. Behind it all was the power of moral ideas, for, as Mr. Martin puts it, "all subjects for him were shadowed by the eternities." He believed he was going forward to the greatest work of mankind upon earth, and for 12 long years, with meager recompense, surmounting the greatest difficulties, he went on undaunted. Up and down this State he traveled, organizing and coordinating the work, arousing confidence among the laggards and even lighting the torch among the most remote and darkened communities. At the conclusion of one of his trips he said, "With much weariness, with almost un-

bounded anxiety, with some thwartings, but on the whole with unexpected and extraordinary encouragement, the work is done. That, however, is but the beginning. I confess life begins to assume a value which I have not felt for five years before." And the work went on with renewed vigor. In conference with committees from several sections of the State the groundwork was laid for founding schools for teachers. Here was the germ which grew into the establishment of the first Massachusetts normal school, a system which is now widespread in the training of teachers in State and country. He established a Common School Journal, and its first 10 annual volumes show evidences of Mr. Mann's editorship. Even to-day its files are eagerly looked for by libraries and by students of education.

The educational revival which his efforts brought to Massachusetts, it must be remembered, only came against the bitterest opposition—political, professional, and religious. The first two it is easy to understand, but in connection with the third we should remember that denominational feelings were strong in those days. Mr. Mann was a staunch Unitarian, and there were those who doubted whether the schools were safe in his hands. It was feared that the normal schools would be filled with Unitarian teachers and that the district libraries which he established would contain books which were colored by his religious belief. These fears showed themselves in politics, and he found that he must not only go on in his battle for better schools but that he must meet the opposition of politicians who catered to fear and prejudice.

I have not the time to review in detail his great work, but I want you to note that his efforts did not prevent his visiting other States, both to study their methods of education and to lend the friends of the cause the aid that his personality alone could give.

There is a sad side to this story, when one recounts the circumstances of his self-sacrifice, taken in connection with his financial condition when he assumed the office. He had taken over the financial responsibilities of an unfortunate brother. All of Mr. Mann's savings were swept away, and he was as absolutely without funds as the unfortunate brother himself. He gave up his boarding house, put a bed in a room adjoining his office, took care of the room himself, and lived there through three full years.

It was only through the contribution of a generous friend who brought about his appointment to office that he was able to maintain himself upon his meager resources. So well was this known to the people of this State that upon his retirement in 1848 it was proposed in the legislature that the State should repay him some part of the outlay that he had incurred, and without a single dissenting voice in either house he was paid a part of the money that he had spent for the public good. His efforts had been given in a great cause, and to me it is the most satisfying fact in my public life that it was while I was governor I had the honor of leading the movement for free university extension education which was then enacted and which has brought the benefits of extension education to 37,248 outside the day and night schools in 1927 and 293,314 from 1915 to 1927. A writer has well said of Mr. Mann that sacrifices like his are incident to the life of any man who takes the next generation for his client.

On February 23, 1848, John Quincy Adams, who had served this Nation as President, dropped at his seat and died in the Speaker's room of the House of Representatives at Washington. He was then a Member of the House and the people of his district turned to Mr. Mann and were deaf to his repeated declinations, insisting that he serve them in the National Congress. He at last consented and he entered the National House in those stirring days when slavery was in the forefront as a subject of discussion. Every leading speech that he made in the House of Representatives, five in all, was upon the slavery question, and they were not mere political speeches, but were the outpourings of a great heart which looked upon every man that swelled the tide of humanity as his brother. It is said that at the time of their delivery his speeches were considered among the best of their kind, and history has confirmed this opinion.

In his dedication of his letters and speeches upon slavery to the young men of Massachusetts in 1851, he then sounds a clarion call for freedom which was almost prophetic. Referring to the alignment of those who in that day were attempting to stifle the voices raised in opposition to slavery, he said, "It may grieve you to break friendships, but truth and duty are your nearest friends"; and he further says, "Rejoice, then, though marshaled in the forefront of battle when the rights of humanity are in danger and you shall rejoice again and forever in their triumph." To-day we have a united Nation. The voice of the slave driver is no longer heard in the land, and even his descendants join with us in the assertion that all men are truly free and equal.

I shall not go on to tell you of his canvass for the Governorship of Massachusetts or of the six years that he served as president at Antioch College, for his claim to fame rests upon his service to his State and to the Nation in the revival of education. That fame is secure. As long as our civilization lasts his name will be symbolic of the public school. You can ever be justly proud that he was born here among your people.

MOTHER'S DAY

Mr. HEFLIN. Mr. President, I wish to bring to the attention of the Senate some misleading propaganda that affects me personally and which fails to state the facts regarding legislative action by Congress. In the last few days a number of my friends have sent me newspaper clippings from various papers in and out of my State of a misleading and incorrect story as to the origin of Mother's Day in America. In part the statement is correct and in another part it is incorrect. It is cleverly written, and I think purposely circulated in Alabama and elsewhere for the purpose of misleading and deceiving the public as to the author of the resolution designating the second Sunday in May of each year as Mother's Day and requiring the observance of the same.

I desire briefly to state the facts in the matter. Fifteen years ago, when I was a Member of the House—to be exact, in 1914—Miss Anna Jarvis, a very charming, fine Pennsylvania woman, was at the Capitol trying to get some help in having a resolution passed setting apart one particular day in the year as Mother's Day. Congressman Hampton Moore, a Member of the House at that time from Pennsylvania, a very brilliant and able Congressman, sent for me and introduced me to Miss Jarvis. He told her that he was sure I would be glad to assist her. She told me of her mother's work along the line of her desire to establish Mother's Day in America and how she had been working to get some one to lead in passing a resolution and establishing by Congress and the President the second Sunday in May as Mother's Day. She requested me to write and introduce the resolution, and I did so. I introduced the resolution and secured its passage through the House, and the able senior Senator from Texas [Mr. SHEPPARD] took charge of it at my request and secured its passage by the Senate. It was signed by President Wilson May 8, 1914, and he issued the proclamation for its observance on May 9, 1914. This propaganda which is being sent into my State as well as other States is very adroitly drawn. The first part, which I am about to read, is correct:

Miss Anna Jarvis, of Philadelphia, originated the idea of Mother's Day, which was observed in several cities in 1910, the custom being extended rapidly in the following years.

Note this next statement:

Congress in 1913 passed a resolution offered by Congressman J. THOMAS HEFLIN, of Alabama (now Senator), recommending observance of the day "by its Members" and "by the executive departments at Washington."

There is the misleading and deceptive statement which is being circulated in Alabama, the week before Mother's Day is to be observed. Then follows this statement in the same article:

In 1914 Congress authorized the President to designate the second Sunday in May of each year as Mother's Day, the first proclamation under this authority being issued by President Wilson on May 9, 1914.

The purpose of that statement is to confuse and leave the public in doubt as to just who is the author of the resolution in Congress establishing Mother's Day. The statement suggests that there was legislation upon the subject twice. That is not true. There was no legislation upon the subject except that had on my resolution. There was no resolution upon the subject except the resolution which I introduced and which passed and which I will now read to the Senate:

The Heflin resolution, designating the second Sunday in May as Mother's Day, was passed by Congress and approved by the President May 8, 1914, and reads as follows:

"Whereas the service rendered the United States by the American mother is the greatest source of the country's strength and inspiration; and

"Whereas we honor ourselves and the mothers of America when we do anything to give emphasis to the home as the fountainhead of the State; and

"Whereas the American mother is doing so much for the home, the moral uplift, and religion, hence so much for good government and humanity: Therefore be it

"Resolved, That the President of the United States is hereby authorized and requested to issue a proclamation calling upon the Government officials to display the United States flag on all Government buildings, and the people of the United States to display the flag at their homes or other suitable places on the second Sunday in May as a public expression of our love and reverence for the mothers of our country; and be it further

"Resolved, That the second Sunday in May shall hereafter be designated and known as Mother's Day, and it shall be the duty of the President to require its observance as provided for in this resolution."

Under that authority granted by my resolution, the President, on May 9, 1914, issued the following proclamation:

Whereas by a joint resolution of May 8, 1914, "designating the second Sunday in May as Mother's Day, and for other purposes," the President is authorized and requested to issue a proclamation calling upon the Government officials to display the United States flag on all Government buildings, and the people of the United States to display the flag at their homes or other suitable places on the second Sunday in May as a public expression of our love and reverence for the mothers of our country; and

Whereas by the said joint resolution it is made the duty of the President to request the observance of the second Sunday in May as provided for in the said joint resolution:

Now, therefore, I, Woodrow Wilson, President of the United States of America, by virtue of the authority vested in me by the said joint resolution, do hereby direct the Government officials to display the United States flag on all Government buildings and do invite the people of the United States to display the flag at their homes or other suitable places on the second Sunday in May as a public expression of our love and reverence for the mothers of our country.

In witness whereof I have set my hand and caused the seal of the United States to be hereunto affixed.

Done at the city of Washington this 9th day of May, in the year of our Lord 1914, and of the independence of the United States one hundred and thirty-eighth.

WOODROW WILSON.

By the President:

WILLIAM JENNINGS BRYAN,
Secretary of State.

Printed on the same sheet with my resolution and the President's proclamation is this quotation from the Washington Herald:

Sunday is the festival of woman's affections. Mother is the best being that God ever made and the Sunday set apart as Mother's Day is the best Sunday in all the year.

Mr. President, it is the duty of President Hoover to issue a proclamation one day this week for the observance of next Sunday as Mother's Day.

CORPORATION PROFITS AND AGRICULTURAL PRICES

Mr. SMITH. Mr. President, I was very much interested in the figures which the Senator from Florida [Mr. FLETCHER] caused to be placed in the RECORD. I believe he compared the years 1927 and 1928 and showed the increase of profits that had accrued to some thirty-odd industries in this country, together with a very small number that did not show an increase but perhaps a very slight decline, though, of course, such decline did not mean the total absence of profit but a decrease in profit. I thought that it might be well also to call attention to a fact that has not been discussed here during the debate on the farm bill.

A great deal has been said about the surplus. Of course, that means the quantity which we produce which is not necessary for domestic consumption, but, in the sense of the world demand and the prices paid, there is actually no such thing as a surplus. However, as I come from a region of the country that grows one of the great staples—the two principal staples being cotton and wheat—I should like to call attention to the question of surplus, as we understand that term as used here.

In view of the tremendous profits made by the industries enumerated in the article which has been put into the RECORD by the Senator from Florida, I should like to call attention to certain facts given by a bulletin of the Alexander Hamilton Institute, which, I take it, is a reputable publication dealing with industrial, commercial, and financial affairs, giving the outlook as well as the facts.

The writer in the issue of that little bulletin of April 27, 1929, in speaking of the textile industries gives the following figures, which I desire to read into the RECORD:

All branches of the textile industry, with the exception of silk, were more active during the present quarter than a year ago—

That is, the first quarter of 1929.

Cotton manufacturers in the South are suffering from labor difficulties at the present time, but otherwise conditions in the cotton industry so far this year have been favorable. The cotton mills consumed 9 per cent more raw cotton in March than a year ago, but the output—

That is, of manufactured goods—

but the output was not sufficient to meet requirements. Stocks of cotton goods in the hands of manufacturers were reduced during March while unfilled orders increased. Stocks at the end of March amounted to 345,000,000 yards this year as against 403,000,000 yards last year,

a decrease of 14.4 per cent. Unfilled orders amounted to 505,000,000 yards this year as against 297,000,000 yards last year, an increase of 70 per cent.

In other words, we have an increased consumption of the raw material by 9 per cent, and there has been an increase of unfilled orders amounting to 70 per cent, and yet the raw material during the first quarter has gone down \$15 a bale.

The facts enumerated by the Alexander Hamilton Institute show that there has been an increase of 70 per cent in unexecuted orders in the hands of manufacturers, a 9 per cent greater consumption than a year ago, with the stocks of the raw cotton decreasing every day and exports as great as or greater than ever before, and yet the price of the raw cotton in the hands of the farmers of the country—who hold probably all of it that has not been previously bought and stored in manufacturers' warehouses as against their consumption—has declined from 21 cents to about 17 cents a pound, emphasizing the situation that despite the fact that we have no surplus, despite the fact that the world demand is unprecedented, the material in the hands of the farmer is at the mercy of the organized, capitalized forces which consume his products.

We talk about getting rid of our surplus. All the surplus cotton produced in America is gone. The export orders are either consummated and the cotton bought, or it is afloat or in Europe or in the Orient. What remains here I dare say would hardly more than meet the requirements of the domestic mills. We have increased our American consumption to where now we practically consume 50 per cent of all the cotton produced in America. The exports have been enormous, the demand has been enormous, and yet the price of the raw material has steadily declined.

That is our problem. We stand here and talk as though the business of agriculture were of the same nature and subject to the same manner of treatment by legislative action as is industry, when we know that from the time the seed is put in the ground until it becomes the farmer's finished product there is no kind of similarity between natural production and artificial production.

The wheat growers of the West produce almost a billion bushels of wheat. It takes them 12 months to produce it; they incur obligations for 12 months; and then, when it is produced, it must be marketed over the succeeding 12 months. The purchasers of that wheat, both domestic and foreign, are organized; they have ample capital; they are few in number compared to the producers; they have resources and reserves sufficient to carry on their business as they see fit; while the producers of the wheat have to meet obligations incurred in its production, such as taxes, support and upkeep of their plant, and yet they are expected to benefit by a tariff put on the commodities produced by them in the same way that others benefit by the tariff that is put on industrial commodities.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from South Carolina yield to the Senator from Oregon?

Mr. SMITH. I yield.

Mr. McNARY. I desire to propound a parliamentary inquiry. Under what order of business are we now operating?

The PRESIDING OFFICER. The debate which has been proceeding is out of order. The order of business is resolutions coming over from a preceding day.

Mr. McNARY. I suggest to the Senator from South Carolina, whose observations are always interesting and helpful in the solution of the problems before the Senate, that I should like to go along in a businesslike way, as prescribed by the rules, and then, if we arrive at that situation before 2 o'clock, I shall ask unanimous consent that the farm bill may be laid before the Senate, so that it may properly be discussed.

Mr. SMITH. We have a certain latitude of discussion here. It had not been my intention to inject out of order the remarks which I have made, but they were so pertinent to what had been said that I thought it would be opportune to speak at this time. Furthermore, there was brought to my mind a point which I did not fully develop in what I had to say the other day. If agreeable to the Senate, I can, in about 2 minutes, conclude the comparison which I wish to make.

Mr. McNARY. Very well.

Mr. SMITH. When wheat and cotton are produced, a process which takes 12 months, then there is a 12 months' supply physically held by the producer, who has got to dispose of it in order to meet his obligations. The purchaser of the wheat can offer the producer what he sees fit; and we could put a tariff of \$5 a bushel on it, if we wanted to, without benefiting him one penny unless we were to reinforce him with the bargaining power or the ability to meet his obligation outside of

disposing of his wheat until such time as he could force the price to a point where he would be able to take advantage of the tariff.

It really is not academic. It is not a question of debate. What good does it do a man or a body of men to give them a tariff if they are not financially able and sufficiently organized to demand an adequate price? Your experience with wheat proves it. We do not need a tariff on cotton, if we can get some machinery by which the American producer can at least demand the cost of production plus a reasonable profit; and it is idle for us to stand here and talk about farm relief until we provide a means by which the farmer can at least control the sale of that which he produces. He is helpless now, because his creditors will not allow him to do it; and I have read you figures here to show that, in view of that fact, notwithstanding the most wonderful opportunity for cotton to advance—scarce stocks, tremendous orders, and increased consumption of the raw material—the price has steadily declined. The same thing is true of wheat and of every other agricultural product, and yet we stand here and talk about setting up some kind of machinery which in the future may or may not help the farmer!

I do not say that strychnine is a good regular diet, but when a man is suffering from heart failure an injection of a certain amount of strychnine is necessary to get him stimulated to a point where the proper remedies can be applied. You drag the farmer down until he is now dying of heart failure, and you say, "All right; we have diagnosed his case; it is an acute case of heart failure, but we are not going to give him an injection. We will just see if he can survive long enough, and then perhaps we will experiment with him." That is what you are doing.

AMENDMENT OF THE RULES—OPEN EXECUTIVE SESSIONS

The PRESIDING OFFICER. The Chair lays before the Senate a resolution coming over from a previous day, which will be stated.

The Chief Clerk read Senate Resolution 19, submitted by Mr. JONES on April 22, 1929.

Mr. JONES. I ask that the resolution may go over without prejudice.

The PRESIDING OFFICER. Without objection, that order will be made.

CLAIMS OF AMERICAN CITIZENS AGAINST MEXICO

Mr. KING. Mr. President, I have here a copy of a letter which I received several months ago, which I thought had been included in the RECORD, and I now ask to have that done.

May I say that I have received, perhaps, a hundred letters recently from American citizens in various parts of the United States who have sustained great losses in Mexico in the past by reason of depredations, losses to life and losses to property. A number of the citizens to whom I have referred effected organizations for the purpose of presenting their claims against Mexico for damages which they sustained. The letter which I ask to have inserted in the RECORD is written to me by the president of one of these associations.

The PRESIDING OFFICER. Without objection, that order will be made.

The letter is as follows:

SALT LAKE CITY, UTAH, January 29, 1929.

In re Mexican claims,

Senator WILLIAM H. KING,

Washington, D. C.

DEAR SIR: Claimants against Mexico for losses of lives and property during the late insurrections there are losing confidence in the Government because of its failure to prosecute the adjudication and payment of their claims.

The recent hopes created by Hon. Dwight Morrow's appointment are vanishing. Little, if anything, has been done for reimbursement of actual losses sustained by American citizens through unlawful depredations years ago in that country.

Two claims commissions of three dignitaries each, with secretaries, etc., were appointed five years ago under conventions between the United States and Mexico, in which both countries agreed to adjudicate and pay claims against them in gold coin. Said commissions have met and adjourned several times, adjusting a few claims at an exorbitant expense, with no real results, as no claim can be paid before all are adjudicated.

These claimants were invited by the late President Porfirio Diaz to settle and invest funds in Mexico—the same as President Gil is now doing—but when Diaz was banished and the national slogan, "Mexico for Mexicans, away with the Gringos," was nationally adopted, they were robbed, murdered, and finally driven from that country with great losses.

Upon official advice these claimants filed claims with our State Department 10 to 15 years ago, being promised early settlement. Following administrations have repeated these promises, but still no appreciable results. Many of these claimants have died; in the meantime others are aged, infirm, and many are indigent, living on charity, having lost their all in Mexico.

Under these circumstances they can hardly be blamed for losing confidence in the Government. President Gil has recently suggested a compromise settlement of these claims, which certainly should be entertained, even at a sacrifice to the claimants. "Better half a loaf than no bread at all."

Hoping something can and will be done in these premises before adjournment of this session of Congress, we sincerely pray.

Very respectfully,

THE ASSOCIATION OF UTAH CLAIMANTS AGAINST MEXICO,
By I. C. THORESEN, President.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the joint resolution (H. J. Res. 59) to extend the provisions of Public Resolution No. 92, Seventieth Congress, approved February 25, 1929; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Wood, Mr. Cramton, and Mr. Byrns were appointed managers on the part of the House at the conference.

RELIEF OF FARMERS IN STORM-STRICKEN AREAS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the joint resolution (H. J. Res. 59) to extend the provisions of Public Resolution No. 92, Seventieth Congress, approved February 25, 1929, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. GEORGE. I move that the Senate insist upon its amendment, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McNary, Mr. Capper, and Mr. Ransdell conferees on the part of the Senate.

FARM RELIEF

The PRESIDING OFFICER. The morning business is closed. Mr. McNary. I ask unanimous consent that the Chair lay before the Senate the unfinished business and that it be proceeded with.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1) to establish a Federal farm board to aid in the orderly marketing, and in the control and disposition of the surplus, of agricultural commodities in interstate and foreign commerce.

Mr. ROBINSON of Indiana rose.

Mr. McNary. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	King	Simmons
Ashurst	Frazier	La Follette	Smith
Barkley	George	McKellar	Smoot
Bingham	Gillett	McMaster	Steck
Black	Glass	McNary	Steiwer
Blaine	Glenn	Metcalf	Swanson
Blease	Goff	Moses	Thomas, Idaho
Borah	Goldsbrough	Norbeck	Thomas, Okla.
Bratton	Greene	Norris	Townsend
Brookhart	Hale	Nye	Trammell
Broussard	Harris	Oddie	Tydings
Burton	Harrison	Overman	Tyson
Capper	Hastings	Patterson	Vandenberg
Caraway	Hatfield	Phipps	Wagner
Connally	Hawes	Pine	Walcott
Copeland	Hayden	Pittman	Walsh, Mass.
Couzens	Hebert	Ransdell	Walsh, Mont.
Cutting	Heflin	Reed	Warren
Dale	Howell	Robinson, Ark.	Waterman
Deneen	Johnson	Robinson, Ind.	Watson
Dill	Jones	Sackett	Wheeler
Edge	Kean	Schall	
Fess	Keyes	Sheppard	

The PRESIDING OFFICER. Ninety Senators having answered to their names, a quorum is present. The Senator from Indiana is recognized.

Mr. ROBINSON of Indiana. Mr. President, yesterday I called attention to the message from the late President Wilson vetoing the bill passed by Congress for the relief of agriculture in 1921. I should like just for a moment now to go back to the beginning of the first of President Wilson's two administrations, to 1913, when the Underwood-Simmons Act was passed.

I have before me a record of the yea-and-nay votes in the United States Senate on that bill. I shall not take the time of the Senate to go into the matter extensively, but I do desire to mention two or three of the votes as being typical of all that were cast.

For instance, on August 12 it was proposed to strike out an item—paragraph 188—providing for a protective duty on cattle to the extent of 10 per cent ad valorem. The roll call shows that the Members of this body of Democratic persuasion all supported that motion to strike out the provision for a duty of 10 per cent, all excepting Mr. Thornton, of Louisiana, who voted for the tariff. All of the Republicans voted to protect the farmers in that schedule.

A day or two later, perhaps, the same thing happened with reference to horses and mules. Then came sheep. Mr. Capron proposed an amendment, that after the numerals "190" in lieu of the words proposed to be stricken out by the committee in this body, which was then organized by the Democratic Members, the following should be inserted:

Sheep under 1 year old, 50 cents per head; 1 year old and over, \$1 per head.

And again the Republicans all voted for that amendment, and the Democrats, with the exception of Mr. Thornton, voted against it.

Again, with reference to wheat, as the bill came over from the House it carried an item of 10 cents per bushel on wheat. The Senate committee proposed to strike out that line entirely and give no protection whatever. On a roll call, the Democrats all, with the exception of Mr. Ransdell, of Louisiana, and his colleague, Mr. Thornton, voted to strike out the item giving the farmers, the wheat growers, 10 cents per bushel protection.

Then Mr. Gronna, on the Republican side, moved to insert a new paragraph providing 6 cents for wheat, and the Democrats all voted against that amendment excepting the two whom I have just mentioned, the Republicans voting unanimously for it.

Mr. President, I shall not take more of the Senate's time in reading the results of these various yea-and-nay votes. I mention it now to suggest that at the beginning of the last Democratic administration, the only one in the past 32 years, the Members of that party on this floor voted against the American farmer, and, at the conclusion, after eight years, the same identical thing happened, and I read to the Senate yesterday an excerpt from the then President's veto message.

I would like to tell what the vote was. On February 16, 1921, the Senate voted on the passage of H. R. 15275, the emergency tariff bill to promote agriculture and for relief for the American farmer. Thirty-four Republicans supported the bill; nine Democrats. Four Republicans voted against it; 26 Democrats. So it was practically unanimously supported by Republicans, and very generally, at any rate, to be perfectly fair, opposed by Democrats.

Subsequently, in any event, Mr. President, as I pointed out yesterday, the Democratic President of the United States vetoed the measure, and the veto was greeted by applause from the Democratic side. That is the record.

Then a Republican President came in on March 4, 1921, and almost immediately Congress went into session again, repassed the bill, and a Republican President immediately signed it. That was a bill providing for duties on agricultural products, and that is the law to-day. That is the record throughout those eight years of the Democratic Party, which I mention now because several Members on the other side, and particularly my good friend the senior Senator from Texas [Mr. SHEPPARD] and also my good friend the junior Senator from Kentucky [Mr. BARKLEY] attempted to tell us how much the Democratic Party has done for the farmer, how much it proposed to do, and how much it would have done had it been in power; and by what I have said here I have not desired to handle this matter from a partisan standpoint, but simply to quote from the record the fact that the Democratic Party throughout the eight years of its control in this body and at the other end of the Capitol, and in the executive branch of the Government, opposed relief for the farmer persistently and consistently.

Mr. WHEELER. Mr. President, will the Senator yield.

Mr. ROBINSON of Indiana. I yield to the Senator from Montana.

Mr. WHEELER. Is that the reason why the farmers have had so much prosperity during the last years; because of the fact that a Republican Congress and a Republican President enacted an emergency tariff law for the benefit of the farmers?

Mr. ROBINSON of Indiana. Oh, no, Mr. President. That matter was gone into yesterday, I suppose in the Senator's absence; and the fact came out that that alone, perhaps, was not sufficient; and, perhaps, the tariff alone is not sufficient

relief for the American farmer, but that has helped, and his condition would have been much worse had it not been for protection that has been afforded by the tariff, and even that was not supported by Members on the other side of the Chamber.

Mr. President, that brings me logically to my concluding statement. This is not a political question; it is an economic question. Roughly, one-third of our population is asking for better living conditions, asking to be placed on the same plane with other industries and other people in our great country.

Since the question of politics has gotten into it, I mentioned these facts in order only that the record might be kept straight.

Mr. FESS. Mr. President—

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Indiana yield to the Senator from Ohio?

Mr. ROBINSON of Indiana. I yield.

Mr. FESS. Yesterday it was urged that nothing had been done for the farmer, and I interrupted the Senator from Indiana to repeat from memory as well as I could the statement of the report of the Farm Bureau. If the Senator will permit me, I would like to read a statement from that report. I have it here.

Mr. ROBINSON of Indiana. I would be glad to have it read, but I ask the Senator to see that it comes in the RECORD after my remarks.

Mr. FESS. Certainly; it should go in after the Senator's remarks.

Mr. President, the report of the Farm Bureau from which I am about to read was made on April 19, 1923, by Mr. Gray Silver, who was then the representative of the American Farm Bureau here in Washington and a very distinguished Democrat. This is the first paragraph:

The passing of the Sixty-seventh Congress marks an epoch in the undertaking of the American Farm Bureau's national legislative campaign. It is not too much to say that the 26 laws passed by that Congress, which were initiated or supported by the Farm Bureau, are of far more importance to American agriculture than all the legislation relating to agriculture passed since the adoption of our Constitution.

Then follows in detail this report specifying the different articles. I think the full report ought to be printed in the RECORD.

Mr. ROBINSON of Indiana. I agree with the Senator.

Mr. FESS. I shall ask to have it printed in the RECORD at the conclusion of the Senator's speech.

The PRESIDING OFFICER. Without objection, leave is granted.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. ROBINSON of Indiana. I yield.

Mr. BARKLEY. If the 26 laws referred to by the Senator from Ohio have driven the farmer to the desperation which surrounds him, what would have happened if the Republicans had passed 26 more?

Mr. FESS. Mr. President—

Mr. ROBINSON of Indiana. I yield to the Senator from Ohio for the purpose of answering the question of the Senator from Kentucky.

Mr. FESS. The Senator from Kentucky asks a question that calls for an opinion. I will place the opinion of the American Farm Bureau alongside his own.

Mr. BARKLEY. Will the Senator tell us what the position of Mr. Gray Silver is with reference to the pending legislation?

Mr. FESS. I have not consulted him.

Mr. BARKLEY. I have, and I will say that he is not enthusiastic over the proposal that is sponsored by the administration. He has suggested a different kind of measure himself.

Mr. FESS. Does the Senator accept the judgment of Mr. Gray Silver?

Mr. BARKLEY. Not necessarily, though I have a high regard for him; but the Senator was reading from a statement made by Mr. Silver six years ago. I thought it might be interesting to know that he now has taken a position with reference to the pending legislation.

Mr. FESS. I assumed that if his judgment were good now it was good six years ago.

Mr. BARKLEY. Mr. Silver testified before the Committee on Agriculture, and not only gave his views with reference to the pending bill, but made suggestions on his own initiative as to what he thought ought to be done.

Mr. BROOKHART. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. I yield.

Mr. BROOKHART. I want to call attention to the fact that this Mr. Gray Silver, who got all of these 26 beneficent laws for the benefit of agriculture passed, got the farmers into all this trouble, among other things, and then bragged about his good

judgment, is the same Mr. Gray Silver who again appeared before the Committee on Agriculture at this session asking for relief for agriculture.

Mr. ROBINSON of Indiana. Mr. President, the question of farm relief was an issue in the last campaign; there is no question about that. Everyone concedes it, I think. The people of the country have answered the question that was put to them on that issue. They answered emphatically in favor of Herbert Hoover and the plan recommended by him in his various campaign utterances, and the plan that was suggested in the Republican platform.

Forty out of the 48 States of the Union cast their electoral votes for Herbert Hoover. In my judgment the bill that has been passed recently by the House embodies the various provisions of the plan for farm relief suggested by the Republican platform and by Herbert Hoover in his campaign utterances. The Senate bill does the same thing, I think, with the exception of the debenture provision that is contained therein. That was no part of the Republican plan as contained in the Republican platform at Kansas City, and it was no part of the plan advocated by Herbert Hoover during the campaign.

If it be true that the plan now before the Senate, with the exception of the debenture provision, the plan broadly that has been incorporated into the bill which has recently passed the House, is the plan proposed and favored by Herbert Hoover, who is now President of the United States, then it seems to me logically that the people of America expect the Congress to pass that bill and make it the law and give it a chance to bring about the relief that is so fervently desired by all.

As prominent an authority as Governor Lowden takes the same view. A few days ago Mr. Lowden was quoted as having used the following words:

Mr. Hoover in the campaign last fall stated clearly and unequivocally his opposition to the principle of the equalization fee as well as to the principle of the debenture plan. He was elected by a substantial majority. The country therefore authorized him to proceed with his own agricultural program. That program was outlined not only in his speeches but more fully in his recent message to Congress. It is to be assumed that upon an issue so clearly decided by the election Congress will support the President. It then becomes the duty of all sincere friends of farm relief to cooperate with the administration in giving effect to its program. If it later should appear that this program was inadequate, the President indicated in his message that the way is open for further action.

Those are the words of Mr. Hoover's principal opponent in the last preconvention campaign. May I say further that this is the opponent who took a directly opposite view on the question of farm relief from that which was held by Herbert Hoover, and this great American statesman sees plainly, as I think the country sees, that the people desire Mr. Hoover's plan to be given a chance to be tried out, and then if in the end it should not prove to be adequate it can be amended at succeeding sessions of Congress.

Here is the opinion of another great American farmer to which I attach much weight. It comes from Mr. Mark W. Woods, of Lincoln, Nebr. If ever anyone favored the equalization fee and that plan of farm relief, it was Mr. Woods. I have had the pleasure of talking to him many times on the question, and always he was emphatically stating his belief in that principle of farm relief. It may be well to state at this time also that Mr. Woods, as I understood it, was one of the prominent supporters of Mr. Lowden. He was quoted in the Washington Star of May 26. I shall read the entire article, because it is brief:

While we are considering the farm problem of surplus crops we need to remember the story of Joseph and the seven years of famine, as described in Holy Writ.

Living from hand to mouth appears always to have been a specialty of the Far East. Egypt, Palestine, and the countries of Asia Minor, India, and China have always lived with the specter of famine staring them in the face.

It would be the same in Europe and America if there were no surpluses carried over as reserves. Suppose that we could control production so nicely that surpluses were not produced and that we consumed each year what was produced. We would then be in the same position as the people living in the hand-to-mouth countries.

If this is true a certain surplus is necessary as insurance against famine. This is in the case of wheat somewhere around 500,000,000 bushels of 3,500,000,000 world production, counting Russia out for the present.

That reserve is not carried in the interest of the producer as such, but in the interest of the wheat centers of the world.

Some plan should be devised by which it can be carried so as not to injure the man who produces it. That is one sound reason why we step in as a nation and enact measures to enable the farmers' organi-

zations to carry this surplus with as little damage to the price of the balance of their crop as is possible.

I place special emphasis on the following words of Mr. Woods:

I believe that the legislation that has been passed by the House of Representatives is a long step in this direction. It leaves the business of agriculture where it belongs—in the hands and under the control of the farmers. It provides for carrying over and disposing of surpluses without so seriously affecting the price of the part of the crop required for current needs. It offers no subsidy, direct or indirect. In doing this we are only treating the producer fairly and looking after the needs of the consumer.

So there are two great agricultural authorities supporting the view which I entertain myself, that the country expects the Congress to follow the lead of Herbert Hoover with reference to farm relief, and this I trust will be done.

Mr. NORBECK. Mr. President, will the Senator yield?

Mr. ROBINSON of Indiana. Certainly.

Mr. NORBECK. I notice that in quoting Governor Lowden the Senator did not quote anything to the effect that the proposed measure would materially relieve the farmer.

Mr. ROBINSON of Indiana. Mr. Lowden insists that the country has given Congress a mandate to put the plan into effect.

Mr. NORBECK. Does that mean regardless of the welfare of the farmer?

Mr. ROBINSON of Indiana. No. I am saying to the Senator from South Dakota that the farmers generally and the farmers in his own State supported Mr. Hoover and Mr. Hoover's views on farm relief.

Mr. NORBECK. Some on the prohibition question and some on the religious question.

Mr. ROBINSON of Indiana. Yes; many on the farm question. I say to the Senator from South Dakota that in my opinion the farmers in his own State expect Herbert Hoover's plan of farm relief to be adopted by the Congress, and in my opinion they will expect the Senator, my good friend from South Dakota, to assist in putting that plan into effect.

Mr. NORBECK. That simply shows the Senator from Indiana is not well informed as to South Dakota.

Mr. ROBINSON of Indiana. That may be true, but I have the returns from South Dakota only six months ago, and the returns of six months ago indicated that South Dakota was pretty strongly in favor of Herbert Hoover and Herbert Hoover's plan for farm relief.

Mr. NORBECK. As against Al Smith.

Mr. ROBINSON of Indiana. Mr. President, I have nothing further to say at this time. I hope the proposed legislation will be enacted into law promptly. Time is of the essence. I wish we could vote on it quickly, pass the bill as favored by the President and by the same token by the people of the country, to the end that there may soon come a happier and more prosperous day for the American farmer.

I ask unanimous consent to have inserted in the RECORD an article prepared by Mr. John G. Brown, of Indiana, a prominent agriculturist of Indiana.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

The operation of a debenture plan will not accomplish the purpose claimed by the proponents but may work a hardship on both the producer and consumer in the end.

In order for the debenture plan to be operative the product must be exported. It would not be put in operation until the price decline would be below what the producer should receive. At such time it would not be known what caused the price decline. Oftentimes it would be caused by seasonal marketing or a bear influence on the market by gamblers and speculators. At such times there may not be an amount in excess of domestic requirements. To operate the debenture plan at such times would remove from the country products that may be needed later to supply the domestic requirements, and because of such removal before another crop could be produced, and the shortage naturally caused by such removal, the price may raise to a very high level at the end of the year, at a time that a very small per cent of the product would be in the hands of the American producers and would naturally cause a very high price to the consumers, and, further, may cause the importation of the product over the tariff wall, which would be to the expense of the American farmer and the consuming public.

In the operation of the debenture plan what assurance would the American farmer have of getting the benefit of the debenture or the part to which he would be entitled? The broker that handles it would get his share; the exporter would evidently get his share; and the local grain dealer would evidently try to get a share. The farmer would be the last to come in and may get a small part of it, but in any event the Government would lose the full amount of the debenture.

Many times we have price declines that seriously affect the market, caused by various reasons, when we do not have an exportable surplus. Under the operation of a Federal farm board with commodity stabilization corporations they could enter the market at such time as the price decline would affect the price to the point that they decided that the producer was not getting what he is entitled to—the same as they would to enforce the debenture plan—and remove from the market channels a sufficient amount of the product to influence the price raise—the same as would be the object of the debenture plan—but the product would be for distribution at such times as it would be needed for domestic requirement.

Should there be evidence at the end of the year of an exportable surplus, the board could make such disposition of the surplus as it deemed advisable by carrying over a part or sell in export. Should there be a loss in so doing, it would not be likely that it would cost the Government as much to stand the loss out of the revolving fund as it would to operate the debenture plan. The American producer and the American consumer would be assured of a stabilized price for both the raw material and the finished product.

Mr. FESS asked and obtained unanimous consent to have printed in the RECORD, following the speech of Mr. ROBINSON of Indiana, the report of the American Farm Bureau, dated April 19, 1923, which is as follows:

[From the American Farm Bureau Weekly News Letter, April 19, 1923]

THE FARM BUREAU IN WASHINGTON

(Presented here is the main body of the report made by Gray Silver, Washington representative of the Farm Bureau, to the executive committee. It details at length not only legislative accomplishments but further legislative needs. It sums up the Farm Bureau Washington program.)

The passing of the Sixty-seventh Congress marks an epoch in the undertaking of the American Farm Bureau's national legislative campaign. It is not too much to say that the 26 laws passed by that Congress, which were initiated or supported by the Farm Bureau, are of far more importance to American agriculture than all the legislation relating to agriculture passed since the adoption of our Constitution.

In that Congress—thanks to the formation of the loyal and fearless farm bloc—farmers ceased to be helpless supplicants at the council of our National Congress, and, by organization, became one of the influential forces in national law making. In a few months they secured legislation that had been banded about in Congress without serious consideration for from 7 to 21 years; and the ruses of legislative deception and procrastination were exposed and overcome.

When the American Farm Bureau Federation undertook a Federal legislative program and established this office to promote legislation in conformity with it, its general objective was the attainment of laws that would help to bring about a fairer relation of the distribution of rewards among the various groups in industrial activities that make up the national whole. We were convinced that agriculture for a variety of reasons had long been deprived of a square deal in the exchange of its products for those of other industries.

We foresaw there were three ways in which Federal laws could contribute to equitable exchanges of products between agriculture and other industries, namely:

First. Legislation that would help the farmer to be a free seller on even terms with the buyer through agencies of his own creation or choice.

Second. Regulatory legislation that would curb unfair practices in manufacture and trade, which have operated to the disadvantage of the farmer as well as the general public.

Third. Legislation that would tend to reduce the farmers' cost of production, processing, standardizing, and distributing.

COOPERATIVE MARKETING FUNDAMENTAL

It appeared to us that full freedom of cooperative marketing in interstate commerce was the indispensable foundation of intelligent and orderly marketing of farm products. For it is only through cooperative marketing that the highly individualized and decentralized business of producing agricultural products can become centralized and massed in selling. There are as many independent agricultural producers as there are farmers. In other industries progressive consolidations and procedure of like effect have reduced or limited the independent producing units to tens and hundreds, compared with agriculture's 6,000,000. So our first great effort was to secure enactment of the Capper-Volstead cooperative marketing law. This was a thorny task, because it involved the line of demarcation between legalized business and that forbidden by the antitrust laws. These laws have been popularly accepted as a sort of fortress protecting the rights of the little fellow against the great and predatory interests. Yet, those laws so operated that farmers cooperatively operating petty milk routes could be, and were, arrested and thrown into jail.

There was much sincere opposition to the Capper-Volstead law, based on a fear of a monopolistic restriction of food supplies and still more on the selfish opposition of established commercial organizations

which were determined to maintain their profitable exploitation of the farmers' trade. In the end we carried the day and cooperative selling associations were authorized and legalized.

NEED OF CREDIT SYSTEM

We lacked credit facilities, standardization of products, adequate warehouses, grading, inspection, and warehouse certification, which are necessary to the utilization of credit. Such credit as we had was not adapted to the periods of turnovers of our business, and we had to compete with other borrowers for the favor of bankers who, naturally, preferred the short-turnover mercantile credit business to ours. Our banking system was wholly lacking in a department chiefly devoted to dealing in rural credits. We had no direct channels to the great credit reservoirs, the investment funds of the Nation. Our credit was limited and mostly local. When the local bank was "loaned up," as it frequently was, there was often no other source of credit to which the farmer could turn. Moreover, the banks limited a farmer's credit to his net worth instead of measuring it according to the volume of his turnover, which latter is the general custom in business. What was needed was a financial agency, functioning locally and nationally, that would mass and organize the collective credit of farmers, reduce it to concrete merchantable form, and sell it to investors; a method by which farm production could be turned into a liquid asset and frozen credits be eliminated and forgotten.

Such an agency might have been provided by the bankers, but they did not see fit to do it. It might have been established by the farmers themselves if some organizing genius had been able to put them into the banking business on a huge scale; but at best that would have been a tedious and difficult job.

The only alternative way of creating a national organization—for such agency must be national in scope—was to appeal to Congress to provide for agriculture a rural credit system, as it did many years ago for industry and commerce when it established the Federal reserve system, and later on for farm-mortgage credits when it created the Farm Loan Board and the Federal land banks.

So we sought to establish the financial machinery that would make cooperative marketing real and not merely possible. Again, after a long, hard struggle, in which we had to fight blind conservatism, though usually well-meaning and the selfish interests that found their undue profits in the farmers' financial helplessness and dependence, we won; and the great rural credits bill was written into the laws of the Nation. Within two or three months it will be functioning, and its usefulness and success depend entirely upon how well we organize and cooperate to make these new laws serve us.

A \$600,000,000 FARM BANK

The Federal Government underwrites the new banking system with \$600,000,000 of working capital (which is ultimately to be repaid), and it is authorized to issue its debentures secured by farm paper to the extent of \$600,000,000, making a total available loan fund, if needed, of \$660,000,000.

The new system is drafted on sound and conservative lines—as sound as those of any bank in the world. It does not attempt to make something out of nothing or to create credit where there is no foundation for it; does not inaugurate any era of cheap and easy money for the farmer. There is not a dollar of inflation in it, for it makes loans only on actual production. It makes farm operating credits dependable, regular, and liquid, with certainty at maturity.

There are very few merchants in this country who could last long or do much business if they had to purchase their goods with cash in hand or with credit that would not cover the period of the turnover. Either they get sufficient time from the manufacturers (who in return get it from the banks) or else they borrow from their own banks sufficient funds to pay for the goods and carry on business until they have been sold. In doing so they are permitted to market their goods in an orderly way. They are not compelled to put on forced sales every time they receive a consignment of merchandise, which is just what the farmer has hitherto been forced to do. Either he had no credit and was forced to sell his crops to get money the moment they were ready, or, if he did have credit, it usually matured before or with his products and it was absolutely impossible for him to dispose of them in an orderly way. In fact, it compelled him to dump his products on the markets with results often as disastrous to the country at large as to himself. His credit perhaps enabled him to make a crop, but it became an oppressor when it compelled him to sell in haste and without judgment. He was not a free agent, whereas everybody he did business with, including the banker, was free and supported by organization.

A COMPANION MEASURE

Related and equally important to the basic legislation of cooperation and rural intermediate credits are such laws as that amending the warehouse act so that it includes all agricultural products and all proper warehouses. This will eventually lead to the standardization of our warehousing system and the establishment of a definite credit value for warehouse receipts. It should also be noted that the original farm-loan system was amended in a number of particulars, such as increasing the individual farm-loan limit from \$10,000 to \$25,000,

extending the working capital by \$25,000,000, and authorizing the maximum rate of interest on Federal farm-loan bonds to 5½ per cent, so as to make them more marketable in a tight money market.

Also to be mentioned here is the revival and extension of the War Finance Corporation, by which farmers' cooperative societies were first recognized as business entities and which came to the relief of agriculture in the trying year of 1921 and has since extended \$300,000,000 of credit to agricultural operations. While it was an administrative rather than a legislative measure, credits should be given to the Farm Loan Board for rapidly expanding the volume of farm-loan bonds and consequently providing an immense additional amount of farm investment capital.

So far—thanks to the constructive action of our friends in Congress—we farmers are at last fully equipped to do business in the modern business world in the modern way.

We have the right to mass our products so that we become a factor in the business world on a scale commensurate with our productive capacity and the demands upon it. The cooperative marketing law gave that to us.

We have the machinery and the capital for the mobilization of our credit so that credit will be provided automatically according to our needs and our collateral. The rural credit and warehousing laws gave that to us.

Between the two of them we have converted, or, at least, cleared the way for the conversion of, an unorganized group of 8,000,000 farmers blindly and distinctively competing with each other into a disciplined industry, which will serve the public with regularity and certainty and at the same time enabled to secure adequate and just rewards for itself.

FARMERS GET CONTROL OF THEIR AFFAIRS

It is important to note that with these instrumentalities the farmer no longer gives up ownership and control of his products in order to get credit, as he did under the old system, or as he would under the various proposed schemes of Government price fixing.

Nothing like it was dreamed of five years ago. Its possibilities for good are enormous. They include the regeneration of the American countryside. They take agriculture out of the lame, dependent, begging classification of industry and put it into a sound, self-respecting, independent classification. Never before has such far-reaching, beneficial legislation ever been secured within such a short time. We are perhaps too near this historic scene to fully appreciate what it means.

BATTLE ONLY HALF WON

Nevertheless we must not forget that the battle is only half won. We now have liberty of marketing and the machinery of its realization in the right to cooperate and the rural credit banking organization. Yet neither of these deals fundamentally with the problem of farm costs, though both have ameliorative effect on it. And we have not yet secured all of the needed regulatory legislation that will police our rights.

In bringing this revolution about we have built up an organization in and out of Congress that gives us great power for further good and for the completion of our great task. Without faltering or idling or pausing to rest on our laurels we must strike while the iron is hot and go on to the completion of the other part of our program, namely, the enactment of regulatory laws and the reduction of agricultural cost factors, many of these being found in the field in which we buy our supplies essential for production. One of the present and pressing forms in which the work of reducing the farm cost factor presents itself in connection with Federal legislation is in the Muscle Shoals or other water power and its utilization.

REDUCTION OF PRODUCTION COSTS

The Muscle Shoals project is to be the test case, so to speak, of the application of the fundamental thought that the question of mechanical power lies at the root of farm costs—and also of farm comfort and well-being. And the basic idea in solving the problem, graphically illustrated in the Henry Ford proposition, is to get rid of the crushing interest charge which is the chief part of power cost; and such a large factor in the cost of all the products of mechanically applied power. Unnecessary interest charges on invested capital in power plants is the dead hand of the present and past that holds in its rigid grasp the prosperity and happiness of the future. The nub of the Ford proposition is to apply earnings from the Muscle Shoals power utilization to amortize—that is, gradually pay off—the original cost of the improvement. After a certain number of years the Government's investment will be repaid and the Muscle Shoals industry will not have to reckon with the crushing burden of interest charges on capital that refuses to be paid off.

SIGNIFICANCE OF MUSCLE SHOALS

Muscle Shoals is only a step—the first step in the solution of the great power problem, but it is supremely important, because if we succeed in our advocacy of the Ford tender we shall have established a ruling precedent for the future utilization of water-power development on the plan of paying off and then charging off forever the original improvement costs, with no chance of their continuation through melon-

cutting stock dividends, improvement bonds, etc. If we fail here interest will grip and hold indefinitely all of the great water power the Government still controls, and our children's children will be paying interest on capital investments on every stream in the land long after such investments have in equity been paid off. This principle is now asked in the development of the Colorado River, with 5,000,000 potential horsepower; in the huge Columbia River Basin irrigation project, and all together, eventually, to perhaps 50,000,000 water horsepower without the building of storage works; and perhaps 200,000,000 horsepower with a universal system of storage. To wipe out interest charges on 50,000,000 horsepower means at least \$1,000,000,000 of annual savings in interest charge alone and of \$4,000,000,000 on the potential power development of America.

Moreover, so original costs are always pyramided, that is, included in interest and profit computations again and again in each step on the way from the producer to the consumer, the wiping out of an interest charge of \$1,000,000,000 means perhaps as much more by the time the bill gets to the consumer for the commodities made by the power. All the industries of the United States would use, if electrified, some 31,000,000 horsepower, and if all the present railroads were electrified, they would not use to exceed 14,000,000 horsepower.

Not only does cheap power mean cheaper products for all people, but it means cheap power on the farm for the manufacturing of farm products. Labor costs per man are bound to mount higher and higher in this country, and the only relief—and at the same time a most desirable thing in itself—is to be found in reducing labor costs per pound or bushel of production. That means that man power must be supplemented and multiplied in every possible way by mechanical power as the ideal power. There are almost no limits to which electric power can ultimately be transmitted. Farmers residing hundreds of miles from hydroelectric power plants will have their power in that form.

POWER IS CIVILIZATION

It is hardly possible here even to sketch the results that may be expected from the development of electrochemistry. Electric furnaces, the handmaidens of chemistry, are operated by cheap water-power current first as a sort of object lesson at Muscle Shoals, and then, wherever there are available powers, will give us new steel-producing centers, new shipping bases, and will do away with the phantom freight we now pay for on our steel products that do not come from Pittsburgh. Closely associated with the electric-power and fertilizer production are the great fields of organic chemistry, with its multitudes of products—from dyes and perfumes to fertilizer and explosives.

HIGHER AND HAPPIER FARM LIFE

Mechanically applied power affects not only the very important matter of lower money costs, as well as meaning more money and more of the material and aesthetic good things of life, but also the equally important matter—especially to the farm woman—of lowered effort costs, of less drudgery, deadening fatigue, monotonous toil, aching muscles, stiff joints, and stale and fatigued minds, and of more leisure, more joy of living, more mental alertness, and more play of human intelligence.

Electricity at \$10 or less per horsepower per year will carry the water from the spring or well to the home and to the barn; will milk the cows; will wash the clothes and iron them; will sweep the house; will do away with the necessity of filling, trimming, and washing kerosene lamps; will replace the boy at the woodpile; will substitute the electric cookstove, with its automatic control, for the wood or coal stove, and thereby remove the necessity for frequent sweeping and scrubbing to remove wood and coal soil from the floors. The electric refrigerator will come to the farm home and provide not only storage but also abundant ice ready for use, and will be found also in the farm dairy. Moreover, electricity will grind feed, shell corn, run the cream separator and the churn, cool and heat the house, and, in fact, enable the use of labor-saving devices and comfort-making equipment which will eliminate most of the drudgery of farm home life.

Once the principle of wiping out the dead burden of unnecessary perpetual interest charges is established, it may be applied in other processes than in the development of hydroelectric power. The steam electric power of the future will be developed at the coal mines, and we will haul weightless electricity on wire cables instead of heavy and bulky coal in lumbering gondolas on costly railroads, thereby greatly reducing railroad rates. Such power will take care of the regions that have not enough water power to meet their needs. There are still immense areas of coal land and oil deposits in the public domain. The principle of amortization can and will be applied to these central power stations.

Besides railway electrification and reduction of railway rates in other ways farmers are interested in the development of inland water transportation and of public highways. Our greatest farm areas are far from the sea, and so our exported products have to stand a heavy toll before they are on ship board. Such projects as the canalized Mississippi and the Great Lakes-St. Lawrence waterway have the effect of bringing the ocean cost lines into the Mississippi Valley. So such projects are embraced in our program of the conquest of excessive cost.

A NEW TARIFF ERA

Another legislative element in farm production costs is the tariff. In this country the historical tendency of tariff legislation has been to place an unfair burden on the farmer. This will continue to be so until the tariffs are imposed on business principles and in a scientific manner. Our greatest contribution to tariff legislation was the inclusion in the tariff law of 1922 of the so-called flexible tariff provision, which makes it possible for the President and the Tariff Commission to revise schedules within certain limitations in order to make them conformable to the facts. This is the beginning of a scientific, economic, and nonpolitical tariff system, which will make our customs duties a help instead of a hindrance to our prosperity and will take the tariff out of the bog of misrepresentations and lies in which it has been so long immersed.

Of course, the demarking line between legislation that is primarily emancipatory or financial and that bearing on farm production costs can not always be closely drawn. And while we have been up to this time chiefly concentrating our energies on orderly marketing and credit matters as such, they, of course, have a cost factor side. On the other hand, much of the legislation that we have accomplished already is primarily cost factor legislation. Included in it is the good-roads law with its effect of making hundreds of millions of dollars of Federal money applicable to the building of farm-to-market roads. One of the hardest fights in the Sixty-seventh Congress was to prevent the reduction of the surtaxes in the income tax law, below a maximum of 50 per cent. It was proposed to reduce the maximum to about half, which would have resulted in the shifting of the burden of taxation from the large incomes best able to pay it to the rest of the population, including farmers.

REGULATORY AND PROTECTIVE LAWS

Among the acts of Congress put on the law books during the past two years is the packer control law, which places the activities of the packer and stockyard operators under the supervision of the Federal Government. The principle of this law recognized the value and efficiency of large consolidations of capital, but at the same time provides and relies on regulation where competition is avoided, which protects the public interests from unfair practices and uncurbed profits.

A similar act puts the grain exchanges under the supervision of the Department of Agriculture for the purpose of preventing injurious speculation in the great cereal food products of the Nation. An important feature of this law is the provision for the admission of farmers' cooperative organizations to membership in grain exchanges.

The third measure of a regulatory character enacted by the Sixty-seventh Congress is the law prohibiting the manufacture and sale of filled milk. This prevents the dairy industry from being forced into unfair competition with a milk product from which the butter content has been removed and replaced by an inferior vegetable oil compound. It also saves in condensed or evaporated milk vitamins—vital food qualities—essential to the health and growth of children. All three of these measures can be classed as in public interest as well as of benefit to the farmer.

A measure falling in this category, which at the same time has a bearing on production-cost factors, is the truth in fabric bill, which has not yet become law. All the processes which deceitfully substitute other products for farm products or adulterate them are contributory to the farmers' costs, because they tend to limit his market and therefore make production costs higher for what he does market.

SUMMING UP

I might mention a number of other acts and proposed measures that fall into one or all of the three main departments of our program, but this is not a catalogue of effected or proposed legislation. I am here merely making a general report that is aimed at driving home to our people the three big ideas of (1) what we set out to do, (2) what has been accomplished, and (3) what remains to be done to round out the program.

To sum up:

First. We have achieved the authorization of cooperative marketing, with its big implications of order, foresight, prudence, and adaptability in marketing. It gives us the strength of massed millions and arms us for the contests of the markets with the same modern big-business methods that our buyers use. It converts the weakness of millions of competing farmers into the strength of millions cooperating.

Second. We have brought about the financial emancipation of the farmer and equipped him with one of the greatest banking institutions in the world through the general rural credits law. The American farmer now stands on a level with all other business men in his credit facilities. He has his own credit bank, adapted to his peculiar needs. And it serves him as other business men are served by their banks—according to their business turnover or maturities.

Third. We have secured the enactment of several laws of the greatest value in defending farmers and the general public from those inimical practices and selfish exploitations by the predatory interests that it seems was impossible to cure without legislation; but others are necessary.

Fourth. We have made a start in the direction of legislation affecting the lowering of farm costs in what we buy; but that is a field that remains largely with the future. The first part of it is to establish through the adoption of the Henry Ford Muscle Shoals plan the principle of amortization of capital costs in hydroelectric power development. That means cheap and abundant fertilizing materials for farms that need them more and more; cheaper commodities of other kinds; eventually the reduction of operating costs on the farm and putting farm life on a much higher plane of comfort, knowledge, and general living than at present.

To realize the rest of our program and consolidate and guard what we have won requires a continuation of whole-hearted support behind us at Washington. I personally desire to acknowledge my debt of gratitude and say no man has ever been more loyally supported than I have, and this same loyalty has made possible the present accomplishments. If we continue to have this support with the growth of our organization both in our service and commodity sides we shall win to the end as surely as we have won this far.

A PATRIOTIC ENTERPRISE

I like to think of the work of the Farm Bureau Federation as a national undertaking, as a national blessing. I honestly believe that by giving agriculture new hope and new vigor we are regenerating the Republic. Our work restores the fair trade balance between the country and city and they prosper together. But most important, perhaps, from a national point of view, is the putting of agriculture on firm business foundations and improving the standards of farm life and thereby insuring the perpetuity of a strong and happy rural population in America. The country will forever feed the city; and the sort of people the country sends to the city determines the kind of a city life we are to have. So in reviving and invigorating American farm life we are regenerating and preserving the Nation. Therefore our watchword should be organization and service.

Mr. WHEELER obtained the floor.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	King	Simmons
Ashurst	Frazier	La Follette	Smith
Barkley	George	McKellar	Smoot
Bingham	Gillett	McMaster	Steck
Black	Glass	McNary	Steiwer
Blaine	Glenn	Metcalf	Swanson
Blaise	Goff	Moses	Thomas, Idaho
Borah	Goldsborough	Norbeck	Thomas, Okla.
Bratton	Greene	Norris	Townsend
Brookhart	Hale	Nye	Trammell
Broussard	Harris	Oddie	Tydings
Burton	Harrison	Overman	Tyson
Capper	Hastings	Patterson	Vandenberg
Caraway	Hatfield	Phipps	Wagner
Connally	Hawes	Pine	Walcott
Copeland	Hayden	Pittman	Walsh, Mass.
Couzens	Hebert	Ransdell	Walsh, Mont.
Cutting	Heflin	Reed	Warren
Dale	Howell	Robinson, Ark.	Waterman
Deneen	Johnson	Robinson, Ind.	Watson
Dill	Jones	Sackett	Wheeler
Edge	Kean	Schall	
Fess	Keyes	Sheppard	

The PRESIDING OFFICER (Mr. BRATTON in the chair). Ninety Senators having responded to their names, a quorum is present. The Senator from Montana is recognized.

Mr. WHEELER. Mr. President, I appreciate that anything that may now be said with reference to the farm relief bill will not change any votes in this Chamber, but I have thought I should not permit the measure to pass without at least voicing my protest against it unless the debenture plan shall be included among its provisions. Even with the debenture plan included in the bill, I question the advisability of Congress establishing a board such as the bill proposes to create and the great bureaucracy which will result therefrom. I desire to point out briefly some of the evils which the measure contains.

I was very much interested in what the Senator from Indiana [Mr. ROBINSON], who just preceded me, said concerning the great things which the Republican Party has done for the farmers of the country. Particularly was I interested in the statement he made criticizing the Democrats and lauding the Republicans for having placed a duty upon wheat. I thought every school boy to-day who had given any consideration to the tariff upon wheat knew that such tariff, excepting upon hard northern wheat, was of no value whatsoever.

I was also interested in the observation of the Senator from Indiana to the effect that the people of the country have directed the Congress of the United States to follow Mr. Hoover blindly in any legislative program which he may propose, particularly with reference to farm relief. I think I know something of the northwestern section of the country, and I also think I know

something of the reasons why the farmers of that section voted in favor of Mr. Hoover as against Mr. Smith. Let me assure the Senator from Indiana that it was not because of the fact that those voters approved of Mr. Hoover's policy on farm relief, for I had occasion to talk with thousands of farmers in Minnesota, South Dakota, North Dakota, and in Montana, and I found none of them who were satisfied with Mr. Hoover's policy in that regard. The truth about the matter is that they voted against Mr. Smith—I think very unfortunately—because of his religious views and affiliations. I say "unfortunately" because of that fact, for I think it is extremely unfortunate when a great body of the people vote against any man because of his religious views. However, I am not going to discuss that matter at this time.

I had hoped when I returned to the Senate after the last election that I could find myself in a position where I would be able to follow Mr. Hoover's lead with reference to farm relief legislation, and it is with real regret that I find myself compelled to conclude that, after winning a campaign by profuse promises, the administration apparently has no intention of carrying out its pledge to give to the farmers of the Nation an effective form of farm relief. I say that I have come to this conclusion with real regret, because with agriculture in its present deplorable condition the enactment of legislation that will have the immediate effect of increasing the depressed prices of farm products is an emergent obligation.

It is not necessary for me to dwell upon the details of the widespread distress existing among the farmers in all sections of the United States. That picture has been vividly painted many times in this Chamber. In the last eight years farm values have shrunk from \$79,000,000,000 to \$58,000,000,000—a loss of \$21,000,000,000—and farm mortgages have increased from \$6,000,000,000 in 1920 to the staggering total of \$14,000,000,000 to-day, and that notwithstanding the fact that the Republicans claim that they have enacted so much legislation during this period which was of real benefit to the farmers. Let me also call the attention of Senators on the other side of the Chamber to the fact that during the same period at least 3,000,000 farmers have left the farms, some 3,500 rural banks have failed, and literally hundreds of hard-working farmers are on the very verge of bankruptcy. That is the kind of "prosperity" which the 30,000,000 farmers of the United States have been given under two Republican administrations.

Even President Hoover finally reached a point in the closing days of the last campaign where he admitted that something should be done about it, and in his message to Congress upon the convening of this special session he conceded:

There being no disagreement as to the need of farm relief, the problem before us becomes one of method by which relief may be most successfully brought about.

I had hoped that after eight years of unrelenting opposition the new Republican administration would put forward a program affording genuine farm relief, but I can see no such promise in the bill which passed the House, or in the Senate bill—with the debenture plan eliminated. The more I study these bills the more convinced I am that they wholly fail in their announced purpose of placing agriculture on an economic parity with other industries; and I am frank to say that while the Senate bill now under discussion is better in some features, it also will be a bitter disappointment to the hard-hit agricultural producers of the Nation unless we shall retain the export debenture plan.

The House bill seems more designed to limit production than for any other purpose, and, in my opinion, there are fundamental weaknesses and great potential dangers in the Senate bill if it is considered apart from the export debenture plan. The bill has no practical purpose without the debenture feature, and so far, in the debate in this Chamber no one, not even the most ardent spokesman of the administration, has attempted to show wherein the measure will raise the price of any farm commodity a single 5-cent piece if the debenture provision shall be eliminated.

I digress to say that it is the debenture plan which has drawn the special fire of Mr. Hoover, and on April 20, in a letter to Senator McNARY, the President commented on legislation then pending in this Chamber and cited 10 so-called reasons why he considered the debenture plan objectionable, with the implication, of course, that he would exercise the presidential veto if Congress should pass a bill containing that particular provision.

To be perfectly frank, I am not altogether surprised that the House bill presumably espoused by Mr. Hoover should fail to meet the approval of most of the farm leaders and a majority of the congressional representatives from the agricultural States,

or that the President should oppose the one feature of the Senate bill which in my judgment holds out some promise of real farm relief. In fact, I would be surprised if it were otherwise.

In the *Pacific Ruralist* of February 7, 1924, Mr. Hoover declared in substance at that time that the problem of the farmer was to try to limit production to home consumption. I call attention to that because of the fact that the Senator from Indiana [Mr. ROBINSON], who preceded me, said that, of course, we should not do anything of that kind.

I find President Hoover's 10 objections to the export debenture plan contradictory rather than compelling, and I believe that detailed analysis reveals that the House bill, or the Senate bill as Mr. Hoover would emasculate it, signally fails to offer any genuine relief to the farmers of this Nation.

The one thing for which the farmers have been fighting all these years is legislation which will raise the prices of their products until they shall be on a parity with the cost of manufactured articles which are protected by almost prohibitive duties. That is the purpose of the export debenture plan, and its only purpose. Let us be frank. Of course, we want to increase the prices of farm commodities, and, if we can not increase the prices of what the farmer produces, then we should reduce the tariff levies on manufactured articles so that the farmer may buy more for his dollar.

It is admitted by every student of the agricultural problem, even by the students in the primary grades, that most of the farmers' difficulties are due to the fact that everything he buys is bought in a protected market and everything he sells is sold in a free-trade market in competition with the cheap labor and cheap land of Russia, India, and Argentina. These being the admitted facts, it seems to me somewhat selfish for Andrew Mellon, whose Aluminum Trust products enjoy as much as 80 per cent tariff duties, to object to a wheat farmer getting a 21-cent export debenture on a bushel of grain.

What we are asked to do is to create a new Federal farm board with vague and autocratic powers, yet no method is provided nor contemplated for controlling or selling abroad our surplus production of wheat, cotton, meats, and other staples; yet it is admitted by every economist who has studied the question that it is our exportable surplus which depresses domestic prices. Why, then, create another board with an army of appointed officeholders unless we propose to deal with the thing that is fundamentally wrong with agriculture—namely, the surpluses? Why another board to deal with only superficial phases of farm production?

Recently I have studied the laws already administered by the Department of Agriculture, and was surprised to learn of the extent of the power which that department possesses. If it is a question of administration, and if existing boards and bureaus have been so tender with the packers, millers, grain and cotton gamblers, carriers, financiers, middlemen, and other interests that prey upon and exploit the producers, what warrant have we for supposing that the proposed Federal farm board will go deeper into the heart of the problem?

Let me cite some of the laws already on the statute books which were supposed to have been enacted for the benefit of farmers:

The packers and stockyards act of August 15, 1921, amended May 5, 1928, which is designed to prevent unfair, discriminatory, or deceptive practices in the manipulation of prices, the restraint of trade, or the creation of monopolies in marketing livestock, meat, and dairy products in interstate commerce.

The cotton futures act of August 11, 1916, designed to obtain for the cotton-growing industry the advantages of cotton exchanges, while eliminating so far as possible artificial manipulation of prices by unfair methods.

The grain futures act of September 21, 1922, designed to prevent unfair burdens upon interstate commerce in grain by regulating transactions on grain future exchanges.

The farm produce dumping act of March 3, 1927, designed to secure honest and fair dealing by commission merchants with farm-produce shippers engaged in interstate commerce.

The Capper-Volstead Act of February 19, 1922, designed to secure to producers of agricultural commodities the advantages of collective marketing.

The cooperative marketing act of July 2, 1922, to create a division of cooperative marketing in the Department of Agriculture, and to provide for the acquisition and dissemination of information pertaining to cooperation; to promote knowledge of cooperative principles and practices; to authorize cooperative groups to acquire, interpret, and disseminate crop and market information.

The Smith-Lever Act, known as the agricultural extension work act, which provides for cooperative agricultural extension work between the agricultural colleges in the various States and the United States Department of Agriculture.

The Capper-Ketcham Act, which provides further development of agricultural extension work in connection with the Smith-Lever Act.

The Clark-McNary Act, to provide for the reforestation of denuded areas, and the McNary-Sweeney Act, to utilize waste lands for reforestation.

There are scores of other acts passed and supposedly administered for the benefit of the farm producers. I wonder how many elections have been won on the strength of these legislative acts, how much of the people's money has been spent, with how little benefit either to the farmers or to anyone else.

We also must remember that the Interstate Commerce Commission is empowered to lower the railroad rates on farm produce, that the Federal land banks were created to provide cheap money for farm producers, and that the War Finance Corporation was supposed to lend money to aid cooperative marketing.

Under existing laws, cooperatives can combine to form commodity clearing houses and stabilizing corporations; the States and the Federal Government are supposed to be promoting the growth of cooperatives; and the Department of Agriculture employs a large corps of competent scientists at a total expense of many millions of dollars annually, and has been directed by Congress to obtain and disseminate information of crop and marketing conditions.

I repeat, if the export debenture plan is stricken from the Senate bill, under political pressure from the administration, there is practically nothing in this bill which does not merely duplicate powers already possessed by the Department of Agriculture and other governmental agencies, with the exception of the provisions for stabilization corporations, which are entirely inadequate to solve the farm problem.

Statistics show that on an average the farm producers of America only get approximately 30 per cent of the final selling price of their products. The farmers who raise wheat, cotton, livestock, and other foods and staples get less than one-third of what the ultimate consumer pays for their products. The other two-thirds are taken by carriers, brokers, commission houses, manufacturers, and, in the last analysis, by those who finance these middlemen. There is too great a spread between what the farmer gets and what his product ultimately sells for. This is admitted. Laws have been passed to remedy these evils, but they still exist.

Let us be honest with ourselves, and honest with our farmer constituents. The bill before us is ineffective without the export debenture plan. The editor of *The New England Homestead*, whose editorial was introduced in the *CONGRESSIONAL RECORD* by the Senator from Massachusetts [Mr. WALSH], truly characterized it as "One of the most colossal gold bricks in the history of the industry"; and agriculture has been handed far more than its fair share of gold bricks.

Nothing in the House bill touches upon the basic causes of agricultural distress, and the Senate bill is very little better except for the export debenture plan. The House bill provides that the stabilization corporations can only purchase commodities owned by cooperative members, thus limiting the amount of wheat or cotton that could be purchased, and insuring in advance that it would not interfere with the futures gambling on the grain and cotton exchanges.

Paragraph B of section 6 of the Senate bill provides that no loan shall be made to any corporation of the \$500,000,000 revolving fund unless, "in the judgment of the board, other available facilities for borrowing upon the security of the commodity have been used to the fullest practicable extent." That means, of course, that there shall be a minimum of interference with private bankers; and the same tenderness is displayed in the insurance section, which provides that money can be loaned by the Federal farm board only where "coverage is not available from private agencies at reasonable rates."

The House bill goes so far as to stipulate that no loan for the construction, purchase, or lease of storage facilities shall be made unless the cooperative association "demonstrates" to the satisfaction of the board that there are not available suitable existing facilities that will furnish their services to the cooperative association at reasonable rates which, in my opinion, is expressly intended to prevent any interference with and to perpetuate the widespread system of privately owned grain elevator and cotton warehouse facilities, which now collect such a heavy toll from the farmers.

Let me read from the editorial from the *New England Homestead* inserted Friday by the Senator from Massachusetts [Mr. WALSH]:

The football of politics for eight years and in two presidential campaigns, farm relief, it seems is to place the mantle of clever political sagacity upon President Hoover and his associates. His farm board

places in Washington a supreme power that 10 years ago farmers would have repudiated en masse as bureaucratic and contrary to the spirit of American independence.

The proposed legislation gives the board virtually unlimited power to dictate the policies and management of farm cooperative organizations. Yet by the clever provision that stabilization corporations, which are to handle exportable surpluses shall be owned and controlled by farmers and operated to avoid losses—

Let me say right there that I have heard the corporations provided for in this bill designated as being "farmer owned and farmer controlled." That seems a good catch phrase; and yet, if you examine the bill, you will find that as a matter of fact, while the corporation is going to be farmer owned, so to speak, it is going to be absolutely controlled and its policy dictated by this Government board. However, the editor goes on to say—

Any failure of the whole scheme will be blamed on the farmers and their organizations and not on the Federal board. However, any success would be credited to the administration plan. It is a clear case of "heads I win and tails you lose," with the farmers holding the bag as usual.

Let me read another paragraph from the New England Homestead editorial:

Formerly the bulwark of American individual development and progressive independence, it now appears that the farmers are to be herded onto the Federal bureaucratic band wagon. The great agricultural industry is to be dictated to and ruled over by boards and bureaus with another army of officeholders, clerks, and helpers which taxpayers can support. With the experiences of the Federal Farm Loan Board and its doings so fresh in mind, it is strange that farmers can not foresee the outcome of a Federal farm board, with unlimited power and a personnel of which they have not one scintilla of voice in naming.

Mr. President, I submit that the foregoing paragraph is a very temperate statement of the powers it is proposed to grant under both the Senate and House bills. In both bills it is stipulated that the Federal farm board has sole power to pass upon the qualifications of any cooperative association seeking membership in a stabilizing corporation, and that the corporation itself must adopt such by-laws and make such changes in its by-laws as the Federal farm board requires.

Mr. KING. Mr. President—

The PRESIDING OFFICER (Mr. DILL in the chair). Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I do.

Mr. KING. Does the Senator intend to comment upon the article which he has just read?

Mr. WHEELER. Yes; I intend to comment upon it.

Mr. KING. I was called out of the Chamber. The article to which the Senator referred attracted my attention because I think it is a pretty correct appraisal of the bill before us. It is a bill in the interest of bureaucracy; and instead of being of any particular benefit to the farmer I am afraid that it will be an injury to him, and that after the \$500,000,000 are consumed, largely in machinery, officialdom, bureaucracy, we shall be called upon to appropriate five hundred millions more.

Mr. WHEELER. I agree entirely with the Senator. How can the Government expect cooperative associations thus to sign away their rights in advance, and blindly intrust their economic destinies to the control of a bureaucracy? It is not strange that already the National Milk Producers' Federation, with its 44 member cooperative associations, is protesting against this bill. And let me add that just this morning I received a telegram from one of the leading cooperatives in my own State protesting against the bill without the debenture plan.

President Hoover repeatedly has inveighed against the evils of state socialism, and the perils inherent in "putting the Government in business." Yet now we are asked to create a vast bureaucracy that will have absolute control over 10,000 cooperative associations which now market more than \$2,000,000,000 of farm products annually; and the House bill provides that the chairman of the Federal farm board may receive any salary the President chooses to fix, and may be removable at his pleasure.

I digress long enough to say that I never have been frightened by the use of the words "state socialism"; but constantly we hear the Senators on the other side—the "Old Guard," so to speak—and we have heard the President in the campaign inveigh against state socialism and bureaucracy; and yet here he proposes to build up a state socialism and bureaucracy, and in my judgment without its doing one particle of good for the farmers themselves.

Mr. President, it is admitted that the situation of agriculture is indeed desperate; but I hardly think the remedy is to set up

an industrial dictatorship. The War Finance Corporation and the Federal land bank systems have not been operated in such a helpful manner as to justify such confidence upon the part of our farmers; and I, for one, have not forgotten what happened to the farm producers of this Nation when, under the pressure of the World War, Mr. Hoover was made food controller, and later Mr. Julius Barnes was put in charge of the Grain Corporation.

Talk of state socialism and of "putting the Government in business"! Why, this bill sets up one of the greatest bureaucracies in the history of the world, with vague and ill-defined powers, gives it \$500,000,000 to experiment with, and makes the Federal farm board virtually answerable to President Hoover alone.

Think of the political patronage this board would possess, and think how easily it could influence votes every four years by loaning \$1,000,000 to this cooperative society; perhaps \$2,000,000 to another; and maybe \$10,000,000 some place else. The tempting bait of substantial loans could be cleverly dangled before the voters in various parts of the country, and the \$500,000,000 revolving fund might be used for virtual bribery on a wholesale scale. Its possibilities for political corruption are enormous. I can not believe that Mr. Hoover would so use it, but we have seen what has been done in times past when even the Department of Justice, the Department of the Interior, the Prohibition Unit, yes, and even the Veterans' Bureau, have reeked with graft and corruption and money appropriated by Congress used to favor political henchmen. I am not unduly given to alarms, but I warn you that if we create this board with its dictatorial powers over the agricultural industry and appropriate this vast sum to be used as the President pleases, we may be creating a Frankenstein that will destroy instead of assist the cooperative movement and swamp the last vestige of our political independence with a stream of gold—Government gold.

Believe me, we will not fool the farmer with this dangerous, ill-considered measure. Already the great majority of their leaders have pointed out the insufficiencies of the bill and pointed out the inadvisability of granting this great power to any board. There is no farm relief in this bill if we except the debenture plan; it was intended as a bill to give President Hoover and his advisers mental relief from farm-relief agitation. That I honestly believe to be its primary motive—but it will fail in its purpose.

Questions will be asked by our almost bankrupted farmers if another harvest rolls by without substantial increase in the prices of farm commodities. The Republican Party has squeezed its last dividend out of the hopes of the farmers, and if they are betrayed again I predict a political cataclysm which will sweep the Republican Party out of power. I do not blame Republican Senators for smiling when I say this, in view of what has happened heretofore. I am still an optimist, however, and believe you can not keep on fooling the farmers and the workers forever.

There has been considerable discussion on this floor as to whether the Republican Party has kept its campaign pledges. Some of the Senators who favored farm relief and also campaigned for Mr. Hoover seem to be resting uneasily—almost squirming, one might say—under the imputation that Mr. Hoover's attitude now has made them appear guilty of the crime of soliciting and obtaining votes under false pretenses. Several of them, in fact, have been manly enough to say so in almost as many words. In this connection I suppose it is well to remember that confession is good for the soul, and I hope that those who have turned State's evidence, so to speak, will be forgiven by their outraged constituents if the debenture plan is defeated and the remainder of this monstrous bill enacted into law.

But I am not interested in this academic discussion concerning campaign pledges. I am thinking of the plight of our countrymen out on the farms. Regardless of the exact language used in the Republican platform and by Republican orators—and I am willing to concede they chose their words with meticulous sophistry—the average farmer was led to believe the Republican leaders had undergone a change of heart and that he would get farm relief. If the House measure or the Senate bill without the export debenture is passed by Congress, these farmers are due for a rude awakening, and so will be those responsible for fooling them.

I have stated before that neither the House bill nor the Senate bill deals with the basic causes responsible for the deflation of agriculture, and now I propose to show exactly wherein it fails.

Mr. Hoover in his St. Louis speech—the same speech that outlined his promise of farm relief—declared, "Adequate tariff is essential if we would assure relief to the farm." He went

on to say that the duties were not high enough on some products, "but nevertheless the tariff is effective over a considerable portion of our whole agricultural production."

Indisputable facts compel me to differ with Mr. Hoover's dicta. The facts are the tariff duties on industrial schedules average 46 per cent, whereas the duties on agricultural schedules average only 22 per cent, and most of these tariffs are ineffective for various reasons. As Mr. Louis J. Taber, master of the National Grange, pertinently points out during the hearings held by the Senate and House Committees on Agriculture, in 1927 the United States exported agricultural products of a value of nearly \$2,000,000,000 and imported agricultural products to almost exactly the same amount. And of our total agricultural imports products valued at \$1,200,000,000 were brought in duty free, of which products valued at \$800,000,000 could have been grown in this country. That does not look as if the tariff were greatly benefiting the American farmer.

Furthermore, as we grow 65 per cent of all the cotton raised in the world, and export a large share of the crop, it is evident that the tariff has nothing at all to do with the domestic price of cotton. That is determined by the world price.

So far as the 42-cent tariff on wheat is concerned, that is wholly nullified by the fact that we produce a surplus of wheat except hard northern, and the farmer does not get the benefit of the tariff upon that because of the milling-in-bond clause in our tariff law. Under this law Canadian wheat may be imported in bond and mixed with soft American wheat, thus robbing the American hard-wheat grower of the benefits he should receive due to the shortage of the hard wheat grown in the United States.

The worst part of this is that the hard Canadian wheat, which is rich in protein content, is especially in demand by millers, and comes directly in competition with the hard northern wheat raised chiefly by Montana, North and South Dakota, and Minnesota.

Every witness who testified before the House and Senate committees agreed that the milling-in-bond rebate clause nullified the much-heralded 42-cent tariff on hard northern wheat, and I have in my possession a letter signed by Thomas D. Campbell, the self-styled wheat king of Montana, the same man who was prominently mentioned for Secretary of Agriculture in Mr. Hoover's Cabinet, in which this fallacy is treated in the following vigorous language:

It is absurd to tell the farmer that he has a tariff protection of 42 cents a bushel when there is a rebate of 40 cents and all by-products which amount to approximately one-third of the gross, are duty free. This rebate is almost as unfair to the small inland mill as it is to the farmer. The repeal of this rebate will undoubtedly increase the price of our dark northern spring wheat 20 cents to 25 cents a bushel, and other grades of wheat will increase in fair proportion.

Just think of it; when those who were passing legislation which they claimed would be helpful for the wheat farmer they nullified the effect wherever it would be of any benefit whatsoever to the hard-wheat farmers of the Northwest. Another tariff inconsistency was revealed during the recent hearings by the House Ways and Means Committee when the National Boot and Shoe Manufacturers' Association asked for a 35 per cent duty on boots and shoes, and then urged that hides be placed on the free list.

This incident is typical of the tariff policy that has governed the Republican Party. They favor high protection for manufacturers and, conversely, they nearly always put raw materials on the free list or give them a tariff upon farm products where there is an exportable surplus, and the debenture is therefore ineffective, thus discriminating against the farmers in favor of the manufacturers who, of course, want to lower costs. This explains why agriculture has been deflated to the tune of \$30,000,000,000 since the Fordney-McCumber tariff bill went into effect. The only mystery is how the Republicans can continue to fool the farmers with the shibboleth that in some mysterious manner the tariff is responsible for a nonexistent farm "prosperity."

Yet when by the export debenture plan we propose to make part of the tariff on farm commodities effective—not all of the tariff, but only half of it—President Hoover objects on the ground that "the issue of debentures to export merchants and their redemption in payment of import duties amounts to a direct subsidy from the United States Treasury."

Evidently it makes a great difference to President Hoover whether the industrial or agricultural ox is being gored. The manufacturers of this Nation are collecting an estimated toll of \$4,000,000,000 annually from the American people by reason of prices enhanced by protective-tariff duties, and it can be proved that an 80 per cent ad valorem tariff on articles coming in competition with kitchen ware made by Mr. Andrew Mellon's

Aluminum Trust keeps out imports and thus "decreases the Treasury receipts by such an amount" just as effectively as though we should pay a 21-cent export debenture on each bushel of grain sent abroad.

Mr. Louis J. Taber, of the National Grange, pointed out before the Senate Agricultural Committee that when the tariff on kitchen ware was increased from 25 per cent in 1920 to 77 per cent in 1928 that more than \$391,000 was kept from the Treasury of the United States on this single item. Mr. Taber also gave figures showing that under the drawback provisions of the tariff we remit from \$14,000,000 to \$39,000,000 annually, and in the last 10 years the total tariff drawbacks have been \$425,000,000. Mr. Hoover, as Secretary of Commerce, has never come before any congressional committee protesting against the drawback provision in the tariff law, and I doubt very much whether he will when the bill comes before us at this session of Congress. It is only when it is proposed to give the farmers part of the same benefit through the export debenture that he vigorously protests.

I am frank to say that personally I consider prohibitive tariff duties economically unsound. I believe our so-called protective system is based on a fallacy. It has been the ruin of agriculture and has brought many industrial and political evils in its train. But as a nation we seem committed to that policy, temporarily at least, and it is cruelly inconsistent of the Republicans to deny the farmers opportunity to the protection so freely given to their manufacturing campaign contributors. Farmers can not prosper if they are to pay excessive prices for clothes, machinery, and every other necessity—prices raised on tariff stilts—and are forced to continue to sell their wheat and cotton on a free-trade world market.

In my opinion, Mr. President, the way to solve the farm problem and to solve it permanently is—

First. Reduce the tariff on manufactured articles, thereby putting the manufacturer on equality with the farmer.

We often speak of putting the farmer on an equality with a manufacturer, but I think we should speak of putting the manufacturer on an equality with the farmer. We ought to reverse it.

Second. If we are not willing to do that for fear of arousing the displeasure of the great manufacturers, then give the farmer a bonus, as you do the manufacturer, and take it out of the pocket of the consumer.

Third. Reduce railroad rates on farm products so that the American farmer can meet the Canadian farmer in world competition.

Fourth. Not only enact laws giving the farmer cheap money, but see that he actually gets it.

Excessive freight rates are next in order of importance to the tariff. In his message to this special session President Hoover stated:

Railway rates have necessarily increased.

That is true to a certain extent, but as I have heretofore pointed out on this floor, if the railroads of this country were given a reasonable valuation for rate-making purposes the farmers could have lower rates on farm products.

To-day the railroads are guaranteed a minimum of 5½ per cent dividends upon their valuation as fixed by the Interstate Commerce Commission. They want that valuation fixed on a basis which would give the railroads of the country a total value of from \$33,000,000,000 to \$35,000,000,000.

I am wondering, in this connection, whether or not the Interstate Commerce Commission is going to be loaded up with any more appointees by the new President, with men who are directors and officers and bondholders and stockholders of the railroads of this country. In that connection I can not help wishing that Mr. Hoover would display as much solicitude over the great question of railroad valuations as he has over the debenture plan.

Just before the close of the session of the Seventieth Congress I introduced Senate Resolution 250, which called for an investigation of railroad rates on agricultural products in the United States and Canada and called for a reduction of our rates. In support of the resolution I showed that freight rates from various Montana grain-growing centers to the nearest terminal market at Duluth, Minn., averaged 10 cents a bushel more than the freight rates from different Canadian points situated almost identically the same distance from their nearest terminal market at Fort William, Ontario.

I said then, and I repeat now, that the railroads of the country in their present prosperous condition could well afford to place the farmers of the United States on an equality with the farmers of Canada in reference to freight rates, and if the carriers will not do this voluntarily then the Interstate Commerce Commission should intervene and compel them to do it. In the

aggregate the railroads take a terrific toll from the farmers of the Nation and some of their tariffs on farm commodities are almost confiscatory. The railroads also have manipulated rates so as to discriminate grossly between industries and as against certain sections. The prosperity of Montana, for instance, is being handicapped by absurd interpretations of the long-and-short haul and farmers suffer along with the rest of the population. Reasonable reduction in railroad rates would mean the difference between a bare profit and bankruptcy to farm producers in many parts of the country, and if necessary the adjustment could be made at the expense of more favored industries. In any event, there is no justification for taxing agriculture out of existence so that the railroads may be paid what amounts to a subsidy on fictitious valuations. Drastic reductions in freight rates are necessary if we are to rehabilitate agriculture.

Mr. President, during the hearings held by the House Committee on Agriculture two witnesses frankly predicted that American agriculture was undergoing an evolution which would result in the establishment of large unit chain farms, and it is significant, I think, that one of these witnesses was Mr. Sidney Anderson, president of the Millers National Federation, and the other was Mr. Frederick B. Wells, of Minneapolis, who spoke for the speculators of the Minneapolis, Chicago, Kansas City, St. Louis, and Omaha grain pits. I may add that both gentlemen seemed to view this development with equanimity, and both of them indorsed the bill prepared by the House Committee on Agriculture—the bill that bears the hall mark of Mr. Hoover's approval. It is rather strange, it seems to me, that Mr. Hoover, in his letter to the Senator from Oregon [Mr. McNARY], should in substance have said that if the debenture plan was adopted it would favor the manufacturers and the grain gamblers and that we should eliminate it for that reason. Yet the very people who he said the debenture plan would favor are appearing before our committee putting their stamp of approval upon the bill which, it is claimed, he favors and denouncing the debenture plan, which a majority of the Senators upon this side of the Chamber and those coming from the Northwest sections of the country are asking to have adopted.

We already have seen the machine worker in factories supplant the skilled artisan, and now the factories are growing larger and larger. Chain stores and mail-order houses are cutting into the business of independent merchants. There even is a tendency toward chain newspapers, and banks and trust companies are concentrating credit into fewer and fewer hands.

It has been always contended, however, by economists and statesmen that the security of every nation depended upon its home owners and farm producers. After all, we must eat before anything else may be done, and agriculture always will remain the basic industry. There has been a rapid shift of population from rural to urban centers in the last half century, but we still have approximately one-third of our population living on farms.

But now unfair burdens caused by discriminatory tariffs, taxes, railroad and interest rates are driving the farmers into bankruptcy and off the farms. Three million persons have left the farms in the past eight years and there has been an appalling increase in tenantry. Unless something is done to restore agriculture to an economic parity with other industries it may well be that chain farming will be the next step, but if that is the case I feel grave concern for the future of my country, for history tells me that Egypt and Babylon and Rome and the other great empires of antiquity did not fall until the grasping greed of their commercial classes had destroyed agriculture and reduced the sturdy and once contented farmers to an idle and turbulent proletariat.

It is my deliberate opinion that we in the United States of America can not permanently survive as a great people if we permit our home-owning farmers to be driven off the farms or into tenantry, for it is literally true that the farmers are the backbone of the Nation; and I, for one, can not comprehend the selfish, short-sighted stupidity which leads our great industrialists and their political spokesmen to oppose every measure, however meritorious, that promises really effective farm relief.

If there ever was a time for clear thinking, nonpartisanship, and unselfishness, it is now. But we seem to be permitting a few essentially parasitical interests to prey upon our largest and most important class of producers and to dictate our economic policy, a policy which may determine the future of the Nation, and it appears that the threat to the immediate profits of these overlords of the Republican Party has blinded them to their greater good.

Mr. President, I shall vote against the present bill with the debenture plan out of it, as I am firmly convinced that that is the only portion of the bill offering any relief to the farmers.

Mr. TYSON obtained the floor.

Mr. BLACK. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DILL in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fletcher	King	Simmons
Ashurst	Frazier	La Follette	Smith
Barkley	George	McKellar	Smoot
Bingham	Gillett	McMaster	Steck
Black	Glass	McNary	Stelwer
Blaine	Glenn	Metcalf	Swanson
Blease	Goff	Moses	Thomas, Idaho
Borah	Goldsborough	Norbeck	Thomas, Okla.
Bratton	Greene	Norris	Townsend
Brookhart	Hale	Nye	Trammell
Broussard	Harris	Odde	Tydings
Burton	Harrison	Overman	Tyson
Capper	Hastings	Patterson	Vandenberg
Caraway	Hatfield	Phipps	Wagner
Connally	Hawes	Pine	Walcott
Copeland	Hayden	Pittman	Walsh, Mass.
Couzens	Hebert	Ransdell	Walsh, Mont.
Cutting	Heflin	Reed	Warren
Dale	Howell	Robinson, Ark.	Waterman
Deneen	Johnson	Robinson, Ind.	Watson
Dill	Jones	Sackett	Wheeler
Edge	Kean	Schall	
Fess	Keyes	Sheppard	

Mr. SCHALL. I desire to announce that my colleague the senior Senator from Minnesota [Mr. SHIPSTEAD] is ill and confined in the hospital.

The PRESIDING OFFICER (Mr. GEORGE in the chair). Ninety Senators having answered to their names, a quorum is present. The Senator from Tennessee will proceed.

Mr. TYSON. Mr. President, I do not care to make any address upon the bill now before us. We have had a great deal of discussion of it and I think everybody understands it very fully. I have offered an amendment to it. I wish to call the attention of the senior Senator from Oregon [Mr. McNARY] to the amendment, which relates to the debenture plan.

On page 18, under section 10, under the heading "Export debentures," I notice it is provided that wherever there is a food product that is manufactured and shipped out of the country there is a debenture upon the amount of the food product that is in the manufactured product. I would like to ask the Senator from Oregon if he has read the amendment which I have introduced and if he is willing to accept it? If so, it would be unnecessary to discuss it. I think I had better read the amendment which I propose. It is as follows:

On page 18, line 24, after the word "thereof," insert the words "or any product manufactured from cotton or tobacco."

On page 19, line 15, after the word "product," insert the words "or product manufactured from cotton or tobacco."

On page 19, line 17, after the word "product," insert the words "or product manufactured from cotton or tobacco."

On page 20, line 10, after the word "commodity," insert the following: "or any product manufactured from cotton or tobacco."

On page 20, line 14, after the word "product," insert the words "or product manufactured from cotton or tobacco."

Mr. President, the intention of the amendment is to insure for the cotton planter and the tobacco planter and the cotton manufacturer and the manufacturer of tobacco products the same benefits and privileges that are given to the farmer who produces wheat or any other commodity which is manufactured into a food product. It will be observed that the bill provides:

Commencing and terminating at such time as the board shall prescribe, to issue export debentures to any farmer, cooperative association, stabilization corporation, or other person with respect to such quantity of the commodity or any manufactured food product thereof as such person may from time to time export from the United States to any foreign country.

The measure then goes on to provide:

The export debenture shall be in an amount to be computed under the direction of the Secretary of the Treasury, in accordance with such regulations as he may prescribe, at the debenture rate for the commodity or product that is in effect at the time of exportation.

Mr. President, should my amendment be agreed to it will enable the American cotton manufacturer, who will have to pay 2 cents a pound more for the cotton which he uses in manufacturing than will have to be paid by the manufacturer abroad to obtain a debenture for the amount of actual raw cotton which he has used in the manufactured product. Otherwise the legislation will have a very bad effect, if it will not almost wholly destroy our exportation of cotton manufactures. As is very well known, this country does not export a great deal of very fine manufactured cotton goods, and the coarser the

cotton the greater the effect will be upon the manufactured product.

If the manufacturers of this country have to pay 2 cents a pound more for the raw cotton which they put into manufactured products, when they come to compete in the markets of the world there will be 2 cents a pound difference against them. They will not, therefore, be able successfully to compete. I believe that is a self-evident proposition.

The result would be the same in the case of the manufacturer of tobacco. We export a great deal of raw tobacco and we also export a great deal of manufactured tobacco products. I do not know what the tariff upon the manufactured product is, but it is on an average about 50 per cent, as I understand. Under the bill as now framed the manufacturers of tobacco who send their products abroad will have to pay a higher price for the tobacco which they manufacture than is paid for the tobacco which is manufactured abroad in competition with them. My amendment would only give to them the same privilege that is proposed to be given to the manufacturers of wheat, rye, barley, meat products, or any other food products.

I do not think it would be fair to provide that cotton shall be sold in this country 2 cents a pound higher than abroad and then expect the cotton manufacturers to compete in the markets of the world. It is proposed to let a man who manufactures flour and sends it abroad get the benefit of a debenture of 21 cents a bushel upon wheat, which will be the effect of sending abroad flour or any other food product on which a tariff duty is levied. I am simply asking that the cotton manufacturers of the country and the tobacco manufacturers of the country be put upon the same basis as are the processors of wheat, barley, oats, and other food products which are shipped abroad.

I do not think any further explanation of the amendment is necessary, as it seems to me that what I have stated is self-evident.

Mr. TRAMMELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Florida?

Mr. TYSON. I yield for a question.

Mr. TRAMMELL. Should the amendment of the Senator from Tennessee not be adopted, would not the condition that he states have a tendency to depress the cotton goods manufacturing industry in this country and, therefore, lessen the home market for cotton?

Mr. TYSON. Absolutely, Mr. President. There are \$133,000,000 worth of manufactured cotton exported from this country, or about 600,000 bales of cotton manufactured here and shipped abroad in the form of manufactured products. Many millions of pounds of tobacco are shipped abroad in the same way. My State produces a large amount of tobacco and also a large amount of cotton. We have not a large tobacco manufacturing industry in the State of Tennessee, but we have a large cotton manufacturing business. If we shall not adopt this amendment, in my opinion it will very greatly depreciate the domestic cotton manufacturing business as well as the tobacco manufacturing business.

Mr. McKELLAR. Mr. President, I am heartily in favor of the amendment of my colleague [Mr. Tyson], and I am wondering if the chairman of the committee will not accept the amendment. It seems to me the amendment of my colleague would afford necessary relief to the manufacturers of cotton and tobacco, in view of the other provisions of the bill.

Mr. McNARY. Mr. President, when we reach the stage of the proceedings when the amendment will be properly in order I shall be glad to consider it, but at the present time I do not desire to have any other amendment taken up; in fact, it would be in violation of the agreement of the Senate to consider any amendment other than the one pending.

Mr. McKELLAR. When the time comes I hope that the Senator will examine the amendment, and I hope he will be able to accept it, because manifestly it should be adopted.

Mr. SMITH. Mr. President, may I ask the Senator from Tennessee a question?

Mr. TYSON. I yield to the Senator from South Carolina.

Mr. SMITH. Does the Senator's amendment contemplate that the board shall take into consideration the amount of duty on products manufactured from cotton, tobacco, or other farm commodities? Suppose the duty on cotton goods were already so high that 2 cents a pound did not even measure anything like the protective duty on the cotton goods; a debenture of 2 cents a pound on the cotton exported from this country might not seriously interfere with the home market.

As I understood the Senator, we are already exporting over \$100,000,000 worth of manufactured cotton goods in competition with those who buy our cotton at the world's price. It seems to me there ought to be some provision in this bill by

which the amount of duty imposed on the manufactured goods should be adjusted to the debenture that is placed on the raw material.

Mr. TYSON. I do not see that what the Senator suggests would have any influence or effect upon the condition. It does not make any difference what the tariff on manufactured products is in this country when they are shipped abroad and sold in the markets of the world in competition with similar products of others.

The point I am trying to call to the attention of the Senate is this: Under the debenture clause of the bill it is provided that for every bale of cotton exported there shall be a debenture allowed of 2 cents a pound. When that cotton goes to Liverpool or elsewhere it will be 2 cents a pound cheaper at Liverpool than it is in this country. Therefore, when it is manufactured into cotton goods here, the manufacturer has to pay 2 cents a pound more for his cotton than the price paid by the man abroad who buys it and manufactures it there. So when the domestic manufacturer sells it abroad he ought to have the same benefit for the cotton that is in the manufactured product, as if he himself shipped the raw cotton out of the country.

Mr. SMITH. Mr. President, that brings out exactly what I hoped the Senator would bring out, namely, that the manufacturers of this country do sell their manufactured surplus abroad cheaper than they sell it at home. Under the protective tariff we allow them to get the American price in the domestic market and then to get the world's price for what they ship abroad. In other words, they sell to foreigners goods manufactured from American raw material cheaper than they sell them at home, and yet they would deny to the agricultural interests the privilege of doing that very thing. All that we are asking in the debenture plan, as I understand, is that we have a bounty or a subsidy, whatever you choose to call it, that will offset in part the tariff duties imposed on what the farmer has to buy.

Mr. TYSON. Mr. President, I can not agree with the Senator entirely as to that proposition. I do not think the tariff has anything whatever to do with the goods which we export. It may be that cotton manufacturers do sell abroad cheaper than they do in this country, but I know of none that do it. I think they have to go out and compete in the markets of the world, and they can not sell their products at any higher price than that for which somebody else sells similar products in that market. When the American manufacturer can not sell his goods abroad at as low a price as somebody else sells he does not sell at all. One reason why we do not sell more manufactured products in foreign countries is that we can not compete with others, and my idea is that if the American manufacturer shall be put in a position where he will have to pay 2 cents a pound more for cotton than his foreign competitor, then he will not be able to compete at all.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Kentucky?

Mr. TYSON. I yield.

Mr. BARKLEY. The Senator did not mean to say, did he, that there are no American manufacturers who sell their goods in foreign countries cheaper than they sell them in the United States?

Mr. TYSON. I do not think I said that; but I was referring to cotton manufacturers, and as to them I said that is not the case, so far as I know.

Mr. SMITH. Mr. President, if the Senator from Tennessee will allow me, I am sure he does not mean to say that the manufacturers of cotton goods do not sell their products abroad cheaper than the same character of goods are sold by them in America. They sell their output in America under the protective tariff so far as they are able, and if they have a surplus, just as in the case of the railroads, it is out-of-pocket cost. The goods that go abroad are sold in competition with foreign manufactures, but the goods they sell in America have no competition and, of course, they sell for a higher price here. Taking the schedule of domestic cotton manufactures and comparing it with exactly the same quality of goods made in Lancashire or Manchester or in continental Europe, it will be found that there is a considerable difference in the price in the world's market for those goods. The price is higher in America than it is elsewhere.

Mr. TYSON. That may be true; I know nothing about those matters; I have had no experience with them; but I have never been able and have never been willing to sell anything in a foreign market cheaper than I could sell it here. Others may do so, but I do not know about it. As a matter of fact, the tariff increases the cost of everything that is produced here, and that is the reason why we can not export very much. We have

to have some advantage here before we can export anything. When it comes to the coarser cotton, the coarser the yarn the coarser the goods, and the manufacturers of such goods have a better opportunity to sell abroad because of the fact that it may cost foreign manufacturers a little more to produce them and, therefore, they perhaps can not sell them any cheaper than we can. As a rule, however, I think cotton manufactured goods are sold at the same price here that they are sold abroad.

Of course, I see that what the Senator means is that fine goods are sold higher here than they are sold abroad. I will agree with him on that point; but we do not ship the fine goods abroad in competition with those of other countries, because we can not afford to do so. They cost more here to make. Therefore they have to bring a higher price. Labor is higher here; everything is higher in this country, and therefore manufactured goods can not be made as cheaply here as they can be made abroad. That stands to reason. Labor is so much higher here; that is the main reason why we can not manufacture here as cheaply as they can abroad. Only where there is mass production can we compete, as a rule, with the manufacturers abroad. We can compete in automobiles, because there is no such mass production anywhere else in the world as we have right here in automobiles. We can sell automobiles cheaper than anybody else in the world because we know how to make them so much better than anybody else can, and produce them in so much greater quantities.

Mr. President, I understood the Senator from Oregon [Mr. McNARY] to say that no amendment could be offered at this time. I thought we were undertaking to perfect the debenture feature of the bill, and therefore that we could offer amendments. As I understood, the Senator from Nebraska [Mr. NORRIS] offered an amendment, and that amendment was put to the Senate and was adopted, in regard to the debenture plan. If we are going to perfect the debenture plan, it seems to me we shall have to perfect it before the question is put to the Senate on the amendment of the Senator from Indiana [Mr. WATSON].

The PRESIDING OFFICER. The Senator's amendment is in order. Does the Senator formally offer it?

Mr. TYSON. I desire to offer this as an amendment, and have it pending.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee.

Mr. SMITH. Mr. President, my impression was that the Senator from Tennessee simply offered the amendment in order to have it pending when we come to vote on the debenture plan to-morrow.

Mr. TYSON. But I understand that the Senator from Indiana [Mr. Watson] has moved to strike out the debenture plan. If it should be stricken out, of course this amendment could not be in the bill; but the amendment might have some effect on the vote on the debenture plan.

Mr. SMITH. Does the Senator ask for a vote on it now?

Mr. TYSON. I want a vote on it when it would be properly in order. I do not care especially to have it voted on now.

The PRESIDING OFFICER. The Senator's amendment is in order. The question is on agreeing to the amendment.

Mr. WALSH of Montana. Mr. President, the pending farm relief bill may be designated primarily as a measure to promote the organization and success of cooperative farm-marketing corporations. It authorizes such to associate themselves, with the approval of a Federal farm board, consisting of 13 members headed by the Secretary of Agriculture, in a stabilization corporation, one for each line of agricultural produce, to which loans from the Treasury may be made to the amount in the aggregate of \$375,000,000; to acquire facilities for conducting their business, elevators, storage warehouses, and so forth, \$50,000,000; to enable member associations to make advances to their members on account of products delivered to the association for eventual disposition, \$25,000,000; and to meet obligations that may be incurred under a plan to insure farmers against decline in prices which the board is authorized to put into operation, \$25,000,000—all of which loans and advances are to draw 4 per cent interest.

The board may subscribe for stock in the stabilization corporations to the amount of \$25,000,000. Cooperative associations offer the hope that the middleman's profits will be eliminated to the advantage of both producer and consumer, and that losses in grading the farmers' products, erroneously or corruptly, will be avoided either wholly or approximately so. It is claimed, as a further merit of cooperative marketing, that interested as they are in getting the highest price for their members, they force private buyers to offer more than they would otherwise bid, their operations thus inuring to the advantage of producers outside as well as those holding membership in the asso-

ciations, quite as nonunion laborers enjoy the benefits of increased wages and bettered conditions exacted by the unions.

The bill, however, is intended further to meet the problem of an exportable surplus, and counts on the view that seasons of superabundance are followed by seasons of relative scarcity, it being advanced by its sponsors that the excess of any particular year, being held over to a succeeding season or possibly two or more seasons, can be disposed of at a price which should be satisfactory and which would justify the carry-over. At least it is argued that taking a considerable amount of a particular commodity off the market in a season of plenty and low prices, looking to its disposal in a succeeding season, will enhance the price current when it originally comes on the market, and that, considering such enhanced price, the subsequent sale will be without net loss. But there is always risk of loss, which will be borne by the cooperative associations and to a greater or less extent by their members or stockholders, while the outsiders who take no risks and bear no part of the expense share to no small extent in the stabilization venture.

It is argued against the relief plan proposed by the measure that as those who stay out so share in the benefits accruing from the operations of the cooperatives without incurring the risk assumed by those who become members, relatively few can be induced to join and they, one by one, tiring of carrying the burden, withdraw, allowing the enterprise to collapse. The field of agricultural economics is strewn with the wrecks of cooperative associations that have thus come to an untimely end. It was in recognition of this peril in their path that the equalization fee, so called, was introduced as a feature of farm-relief legislation heretofore receiving the approval of Congress. It was a device to make membership in a cooperative enterprise compulsory, or, rather, by imposing a tax or charge upon all of a particular commodity going into the market to meet expenses and losses of the cooperative whose operations should be sanctioned by the farm board, to make it to the interest of all producers to join, that they might have a voice in the conduct of the enterprise. It was contemplated further by the earlier attempts at relief legislation that the organization corresponding to the stabilization corporation provided for in the pending bill should buy up so much of the annual product of any particular commodity as would find foreign markets, thus raising the domestic price possibly to the limit of the tariff, the excess to be disposed of in such foreign markets at presumably a loss to be made up through the equalization fee. It was represented that three-fourths of our wheat crop being consumed at home, that part of the crop would be advantaged, while, as there would be a loss only on the one-fourth exported, a material gain to the producer would be the net result.

As under the system now proposed there are no means by which the loss incident to a transaction of that character can be distributed over all producers, it offers no inducement to an effort to raise the price higher than would be warranted by a just expectation of being able eventually to dispose of the quantity purchased in any year to be held for more favorable conditions in a subsequent season or subsequent seasons. In other words, the present plan does not contemplate, as the McNary-Haugen bills did, giving to the farmer the benefit of the tariff on wheat and other products of which there is regularly produced an exportable surplus.

It is an effort to give the farmer the benefits accruing from well-financed cooperative marketing associations and to promote efficiency in their management. It is a reasonable expectation that some substantial benefits will follow from the system proposed.

Notwithstanding the unfortunate experience of many cooperative associations undertaking to handle agricultural products—and almost every State affords examples of such coming to grief, largely because not all who profit by their operations can be induced to join—they continue to grow in numbers and to transact a constantly increasing volume of business, now running into billions. I ask leave to have printed as an exhibit to my remarks a bulletin on this subject issued by the Department of Agriculture last October.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See Exhibit A.)

Mr. WALSH of Montana. This bulletin, printed as an appendix hereto, gives the information that 11,400 such associations operating in the United States in 1927 transacted business to the amount of \$2,300,000,000. Prominent among such are organizations handling grain, fruits, and dairy products.

In an article by J. F. Booth, senior agricultural economist of the Department of Agriculture, appearing in the March number of the *Annals of the American Academy of Political and Social Science*, we are told that the cooperative associations of the United States list 2,500,000 members, whereas 50 years ago only

a few thousand farmers belonged to cooperative marketing associations.

The growth within the past 10 years has been marked. Considering the magnitude and the increasing volume of business transacted, the swelling number of associations engaging in the cooperative trade, and the constant accession of farmers to the membership of the associations, it must be concluded that, notwithstanding the dismal failures of which almost any Senator can speak, on the whole the movement has justified itself and that better returns to the farmers may be expected by marketing through cooperatives. Those who have paid any attention to the troubles that have beset them are not ignorant of the fact that the problem of finance has not been the least of them. They must compete with elevator companies—speaking of wheat by way of illustration—and other dealers, long established in the business, with practically unlimited credit and a reputation for successful trading to back them and, it may be assumed, a power in financial circles, which it would be contrary to what is known of human nature not to believe would be used to embarrass a competitor seeking banking accommodations. They must encounter the natural conservatism of the banking fraternity though it were not stimulated by rival interests. The opportunity to secure the necessary funds from the Government at a low rate of interest ought to contribute materially to the success of the stabilization corporations contemplated by the bill, being associations of cooperative entities.

Moreover, another weakness in the cooperative organizations has been in their inconsequential character in point of size in a world in which successful business is carried on by gigantic corporations and other organizations with huge accumulations of capital transacting business on a mammoth scale. To meet this situation the cooperatives have federated, and thus materially strengthened their position. The stabilization corporation, which is the central feature of the plan of the bill, is to be an aggregation of cooperative units, presumably representing a substantial part, if not a majority, of the producers of the commodity or commodities, to market which is the main purpose for which the stabilization corporation is created. The size and resources of the institution will enable it to command talent to handle its business in the most approved, up-to-date manner, so that, altogether, it will be launched under the most favorable auspices.

There is, however, a danger in the system that should not be minimized and can not be ignored. The stabilization corporation is to consist of cooperative association members. The Federal farm board may select one group of associations and certify them as the stabilization corporation for a particular commodity, and it may reject another group. The bill makes no provision for the admission to the stabilization corporation of associations other than those joining in the application that it be constituted. It does, indeed, require that the board be satisfied in advance of the character of the management, presumably including the by-laws under which it is to operate; and it may be assumed that it would take care to see that all qualified organizations willing to unite are afforded an opportunity to do so, and power is reserved to the board to control the by-laws, so that no change not approved by it can be introduced. But, as stated, the board is not required to extend equality of opportunity to all qualified cooperatives to join and participate in the management and the profits should there be any. This, by the way, however.

The significant thing is that the liability for losses is on the stabilization corporation, and on it alone. The stockholders or members assume no risk. Moreover, though the board might require as a condition of certification that a certain amount of capital be contributed by those seeking certification or by others later asking admission, it is not required to do so. Indeed, it would seem as though it was not contemplated that any capital should be subscribed by the incorporators, for the board is authorized to subscribe for stock in the aggregate in all the stabilization corporations to the amount of \$25,000,000, in the language of the bill, "for the purpose of enabling a stabilization corporation to act as agent in marketing an agricultural commodity acquired from its stockholders or members," not to assist it in so doing but to enable it to transact its business. It would appear, accordingly, that except as they may be required by rule or order of the board to contribute to the capital of the stabilization corporation, the members have no stake whatever in its success.

If the venture results in a loss, they lose nothing; if disaster should overtake it, the Government may lose its loan if it has loaned the corporation anything, and the investment it makes in the stock of the corporation. If it succeeds to such an extent as to warrant a dividend, the Government may get 8 per cent on its stock if it has any.

The important thing is that, bringing no capital to the enterprise, except as the board may by rule prescribe, the whole management of the business is intrusted to such officers as the cooperative association members may select. It is even provided that the Government stock, should it have any, does not carry the right to vote. It is at least questionable whether when the risk of success is so largely assumed by the Government the management of the business ought not to be intrusted to the Federal farm board, or it be given a substantial representation on the board of directors of the stabilization corporation, as it is on that of the Federal land bank.

It may fairly be argued that the system invites or, at least, affords no sufficient safeguard against waste and inefficiency in the conduct of the affairs of the stabilization corporation, though the features contributing to its infirmity may, and it is hoped will, be corrected before the final passage of the bill. It is not, in my judgment, to be condemned though the debenture plan, for the institution of which the bill makes provision, be eliminated, as it is at some stage in the history of the legislation generally believed it will be. I look to it to contribute, but only in a very limited degree, to meet the promises of both political parties to put agriculture on the same footing of prosperity as other industrial pursuits. It is not professed in its support that it gives to the farmer producing a crop of which there is an exportable surplus the benefit of the tariff thereon, as it was the purpose of the McNary-Haugen bill to extend. It is not claimed that it will operate to elevate the price of wheat, for instance, making it approximate the level of the prices of commodities generally or particularly those the farmer must buy. Just how much advance in price may be expected from it or whether any may be expected is pure speculation.

No such uncertainty would attend the inauguration of the debenture plan. It is exceedingly simple in its operation and evident in its effect. By the provisions of the bill the board is authorized, in its discretion, to direct the Secretary to issue to one who exports agricultural products a negotiable certificate in an amount equal to one-half the amount of the tariff that would be collectible on importation of an equal amount of the same commodity, or in the case of cotton, in the sum of 2 cents per pound on the cotton exported, which certificate, or debenture, as it is called, is receivable at the customhouses in payment of duties on any imports in lieu of cash. To illustrate: The tariff on wheat is 42 cents per bushel. If one should export 100,000 bushels of wheat he would be entitled to a debenture to the amount of \$21,000. This he could sell to any importer to whom it would be as good as cash.

Experts of the Agriculture Department testified before the committee that the maximum amount of debenture at all likely to be issued in any one year would not exceed \$146,000,000, and probably would be much less. As the revenues from customs duties amount annually approximately to \$600,000,000 there should be no difficulty in disposing of the debentures at little less than their face value.

The producer will, should the plan go into operation, receive for his product the current price and the amount of the debenture, an increase in the case of wheat of 21 cents per bushel. Although he is not paid a bounty out of the Treasury, the effect is, in all respects, the same as if he were. Under the debenture plan the sum accruing to him never gets into the Treasury, and therefore the system is not open to constitutional objections that might, with success, be urged against the bounty system. In that regard it is quite like the protective tariff, which takes nothing from the Treasury; but if it is high enough to prohibit or curtail imports, it prevents revenues that would otherwise go into the Treasury from getting there. Like the protective tariff also it raises the price of the commodity to the domestic purchaser. It enables the farmer to get an advance on what he would otherwise receive, not only on what is exported but upon all of the commodity he sells, for obviously he will not sell and need not sell in the domestic market for anything less than he would receive by exporting.

Curiously enough, the plan which for some years has been sponsored and advocated by the National Grange finds its stoutest opponents among the devotees and even the outstanding beneficiaries of the protective tariff system. The President, representing in a peculiar manner that economic policy, sets forth 10 reasons why the system ought not to be sanctioned, every one of which can, as has been pointed out, be urged with equal force against a protective tariff. The New Republic employs the deadly parallel column to enforce this truth, quoting the President's language in the one and, by a slight change in phraseology, applying the reasoning in the other to the policy of protection. A copy of the article referred to has been, with the consent of the Senate, printed in the Record.

Conspicuous among the President's reasons are two which will serve the purpose of illustration.

The plan will, he asserts, if put into operation, increase the market value of stocks on hand held by speculators and others, approximately \$300,000,000. But if the tariff is raised on a multitude of commodities as proposed and on others without number as demanded by Grundy and the swarm of tariff hunters who have bedeviled the Finance Committee for the past month, the market value of their stocks on hand will similarly be increased. The President is unwilling to approve this form of relief to the farmer because thereby the market value of his products on hand will be increased, but he sees no objection to increasing the tariff rates which will equally increase the market value of manufactured products so favored in, perhaps, a vastly greater amount.

So, he asserts, the plan will stimulate production, thus increasing the surplus and aggravating the evil it is to remedy. But if the protective tariff raises prices and makes production more remunerative—and that is its purpose, and, no doubt, will be its effect—it likewise stimulates production, invites competition, and leads, it was once argued, in behalf of that policy, to lower prices, and it is only through combination and other stifling processes that prices do not come down.

The peril of greatly increased production is largely imaginary, the dread of it easily generated in the minds of those who want to get farm products at the lowest possible figure. An increase in the price of wheat of 21 cents a bushel need not be followed by feverish planting of that cereal. As will be shown, the price would even then be much below the price level of commodities generally. The relatively short crop of 1925 sent wheat in December to \$1.855 in Chicago, but the yield in the following year was less than it was in the year preceding, though the average price for the 1925 crop was \$1.416 as against \$1.1198 for 1926, \$1.118 for 1927, and 97.2 cents for 1928. In other words, an increase in price of from 20 to 30 cents above normal resulted in no material increase in production. The area seeded in 1926 did indeed exceed that of 1925 by 4,000,000 acres, from which there has been a slight recession, but it still lacks by approximately 5,000,000 acres the seeded area prior to 1924.

The uncertainty whether the debenture would be continued would operate as a check on expansion, and the board is required by the amendment heretofore adopted by the Senate to reduce the amount of the credit evidenced by the debenture as the estimated yield is swelled, if it should be.

I confess to being in no degree enamoured of the debenture plan or any other plan amounting, as it does, to a subsidy to agriculture, any more than to any other industry, or what amounts to the same thing, to legislation by which the prices of particular commodities are artificially enhanced. Conditions may, however, justify a departure from general principles and they are such at the present juncture as, to my mind, imperatively to require that course in simple justice to agriculture.

The price of everything, or nearly everything, the farmer buys is artificially raised by the tariff, his operating costs are enhanced by other legislation enacted by Congress, and it is now proposed still further to handicap him by increased duties on the necessities of his household and his business.

The department of research of the Farm Bureau Federation estimated in 1923 that the net loss to agriculture from the tariff is \$300,000,000 a year. How much greater will be the burden to be imposed upon him it is obviously impossible to compute or estimate, but that it will be considerable no one can doubt. If it is vocal at all, the desire to see the duties reduced on anything is drowned in the chorus of solicitations for further increases. So importunate and so unrestrained have been the demands as to provoke the indignation of Senators who never before balked at any duties, however high.

The fiery denunciation by James G. Blaine of the McKinley bill of 1890, which brought about the defeat of his party, as he predicted it would, two years later, reflected the revolt within his party with respect to that measure. The Payne-Aldrich bill encountered the fierce opposition in the Senate of Dilliver, Cummins, La Follette, Beveridge, Bristow, Nelson, and Crawford, and was one of the major factors in the disruption of their party that resulted in its defeat in 1912. But they have no intellectual successors.

The Republican representatives from the agricultural States have been silenced by acquiescence in their insistence on higher duties on the products of the farm. Three eminent economists on the faculty of the University of Wisconsin, without predilections, so far as I can learn, either politically or on economic grounds, against a protective tariff, have been pursuing studies to determine how much the farmer gains and how much he loses by that policy as it is expressed in the laws of Congress. With accurate knowledge of what they say, as will be attested

by any Senator familiar to any degree with tariff legislation, the following appears in an article released by them for publication on April 8 last:

Tariffs are always made up by logrolling. If one industry gets a high tariff, it does so by consenting that other industries may have a high tariff. Under the new arrangement everybody will join in the logrolling, and nobody will be in opposition. Farmers have closed their mouths against high protection for manufactures because the manufacturers have consented to high tariffs for farmers.

In this game of logrolling the farmers will get what their representatives ask for. So will the manufacturers. If the farmers ask for a tariff that will do them no good whatever, then they are giving something for nothing in this game of logrolling. This is evidently what they are doing on several of the farmers' crops. In the case of other crops a small number of farmers will gain, but the great majority of farmers will lose as consumers, along with other consumers.

Their conclusions are based upon statistical examination by a force of experts in agricultural economics of the university. What they have to offer in detail will be more appropriate in connection with the debate on the tariff legislation soon to come before the Senate, but it may safely be ventured from what they have thus far given to the public that their examination will lead to a conclusion not radically different from that arrived at in the inquiry conducted under the auspices of the Farm Bureau Federation. Reference is here made to their work simply to emphasize the view expressed by them to the effect that heavier tariff burdens are to be put upon the farmer. However, they call attention to the fact that farmers themselves pay no inconsiderable share of the added cost of duties on agricultural products, and illustrate by the duty on sugar, from which 3 per cent of the farmers realize about \$43,000,000, and all the farmers pay \$64,000,000, a net loss of \$21,000,000. The farmer who raises wool may come out even, but the farmer whose principal crop is wheat gets no return, or practically no return, from anything enjoying tariff benefits.

It is rather singular that there should be no opposition from within the Republican ranks to the proposal to increase the tariff, considering the patriotic protests against earlier efforts in that direction referred to, and that the Democratic Party should have weakened in respect to its traditional policy on the tariff at this particular juncture, when so many economic factors combine to give it strength were it vigorously maintained.

It was once maintained by the advocates of the protective system, when our country looked abroad for capital with which to develop its industries, that however it might be with a creditor nation, their policy was the wise one for a debtor nation. The situation is now reversed; we are the great creditor nation of the world, American capital having gone abroad, either in loans or investments, to the amount of upwards of \$20,000,000,000 on which interest and dividends must be paid, if paid at all, in foreign goods.

It was likewise urged that the policy of a high protective tariff, though it might be detrimental in an exporting nation, is indispensable in an importing nation, and particularly one whose industries other, perhaps, than those concerned in the production of raw material, are undeveloped or in process of development. But the United States has become one of the greatest exporting nations in the world, speaking only of manufactured products, having no rival for supremacy save only Great Britain. Our exports of manufactures of all kinds now approximate two and one-half billions annually. It was further advanced that a nation being a carrier by sea would find profit in a different policy, being interested in securing cargoes for its ships in and out of its ports, rather than that they should be deflected to more profitable trade elsewhere. Well, we have become a great carrying nation and have the same urge to provide profitable business for our merchant marine.

Nevertheless and notwithstanding the considerations adverted to, in the light of the result of the late national election and the temper of Congress, no reduction in tariff burdens is to be anticipated and further increases are certain.

Nor is there any prospect of any change of consequence in the immigration laws, one effect of which has been to limit the number of persons seeking employment on farms and consequently to enhance the wages of the farm laborers. Nor can any substantial reduction in freight rates be expected, though in time some relief may be anticipated from the development of our inland waterways and the Great Lakes-St. Lawrence project. Meanwhile, largely on account of the legislation of Congress, the effect of which has been to enhance the price of almost everything the farmer must buy, he operates under a handicap that means ruin if his condition be not alleviated. It is so far as the wheat farmer is concerned, indicated by the fact that, speaking as of April 27, 1929, on which day the in-

formation was given me by the Department of Agriculture, at present prices the purchasing power of wheat is but 73 per cent of what it was in 1913, or rather for the 5-year period from 1909 to 1913, inclusive. If the disparity were casual and exceptional, the fact might not be of particular significance—it would probably be assignable to transient causes. But the condition of which it speaks so eloquently is chronic. Except for a brief period in 1924 and in 1925, when an exceptionally small crop was harvested, and again in 1927, wheat prices have been continuously below the level of the prices of commodities generally since 1921, usually representing approximately 80 per cent of the purchasing power of that cereal in the pre-war period.

All manner of investigations have been conducted within that time into agricultural conditions by the Congress, each house acting separately and both acting jointly, and by scientific and business organizations, all of which have told of the depressed state of agriculture and fortified that conclusion with evidence of the most indubitable character. It might be noted in this connection that the ailment is not confined to the United States. I attended some of the sessions of the economic conference at Geneva, called by the League of Nations in the summer of 1927, participated in by an exceptionally able delegation appointed by our Government, and was surprised to learn from the discussions that practically every country represented was troubled with a similar problem and took occasion to acquaint the conference with it in some detail. Its inquiries revealed that in 18 countries, including all the leading powers, the purchasing power of farm products had declined from 10 to nearly 30 per cent, and that the decline in the power of marketed farm products, to pay for items of domestic consumption, was from 100 to 70.8 in the European group of countries and from 100 to 79.4 in the United States. In the final report of the conference appears the following:

The economic depression in agriculture is characterized by the disequilibrium which has arisen between the prices of agricultural products and those of manufactured products * * *.

The diminution in the purchasing power of agricultural population has reacted upon industrial production and is consequently one of the causes of unemployment, which, in turn, reduces the outlets for agricultural products.

I regret very much, Mr. President, that the distinguished junior Senator from New York [Mr. WAGNER] and the able junior Senator from Massachusetts [Mr. WALSH], both of whom are intensely interested in the question of unemployment, are not in the Chamber that they might hear the conclusions which I have just stated of the conference in Geneva.

It is quite evident, accordingly, that the influences which have operated to bring agriculture in the United States to its present low level are world-wide. They spring mainly from the transfer of political power from the populations dominantly agricultural to those dominantly industrial. In 1880 the rural population of the United States was 71.4 per cent of the whole people, in 1890 it had decreased to 64.6, in 1900 to 60, in 1910 to 54.2, in 1920 to 48.6, and in 1925 to 45.6. Our present farm population, as distinguished from rural population, is less than 25 per cent of the people of the United States.

It is not strange that under these circumstances legislation should tend to promote the interests of the industrial classes and others interested in relatively cheap food and raw materials, nor is it to be wondered at that such stubborn opposition to the McNary-Haugen bill and to the debenture feature of the pending bill, both designed to raise the price of farm products, and particularly of food products, should have developed among those whose first concern is for the welfare of industries other than agriculture. It is significant that the bill under consideration, except for the debenture feature, provokes no determined antagonism from that quarter, a fact that indicates the reasoned conclusion that there is nothing in it that promises to raise the price of farm products to the ultimate consumer or that will be likely to redound to the advantage of the farmer further than through the elimination of the profits of the middleman, including such as flow from inaccurate or fraudulent gradings.

It might be thought that the wheat farmer is amply cared for by the duty of 42 cents per bushel on his product, but no one possessing any measure of intellectual integrity and conversant with the facts ventures to assert that the duty is effective in any degree except in a small and indeterminable degree with respect to the high-protein wheat produced in Minnesota, North Dakota, and Montana. The quotations in the markets of Minneapolis and Winnipeg during the months within which the great bulk of the crop is offered for sale have shown little disparity, if any, and for the perfectly obvious reason that under all ordinary cir-

cumstances the price in each is that prevailing in foreign markets less the cost of transportation thither. The hard-wheat crop is but 26 per cent of the total of that cereal and the part of that grading high enough in protein to meet competition from Canada, our only competitor, it is impossible to determine, no figures being available to the Department of Agriculture.

The economists of the University of Wisconsin, heretofore referred to, figure the average effectiveness of the tariff of 1922 with respect to the class of wheat as to which it is effective at 9.8 cents per bushel, no doubt much reduced in recent years, when most high-protein wheat is sold at a premium above the market.

It is because of the hopelessness of securing relief for the farmer by the natural method, the modification of the legislation to which his plight is largely due, that I give my assent to the debenture plan, or, for that matter, to the bill in its other features. I have twice voted against farm relief measures that have had the approval of Congress, confident, after careful study, that the legislation was unconstitutional and that the equalization feature would afford an opportunity to bring it before the courts for adjudication as to the power of Congress to enact it. It was, accordingly, in my opinion, utterly futile and barred the way to relief that was imperative. At the same time, in voicing my opposition to the legislation referred to, I offered to vote for it should the equalization-fee feature be eliminated, and on one occasion proposed an amendment which would have had that result. The basic objection would not thereby be removed, but under an authoritative decision of the highest court it could not be raised, and the legislation would rest upon the same footing, sound or unsound, as that creating the Department of Agriculture and possibly another department, and the appropriations for many, if not most, of their activities universally accepted as within the scope of the powers of the Federal Government.

EXHIBIT A

SIGNIFICANT TRENDS AMONG AGRICULTURAL COOPERATIVES

By Chris L. Christensen, in charge Division of Cooperative Marketing, U. S. Department of Agriculture

Farmers' cooperatives made progress during 1928. To those who are in touch with the movement in its nation-wide aspects, this progress is more than encouraging. It indicates that cooperative organization is now a permanent factor in modern agriculture. The total business of 11,400 farmers' associations engaged in marketing and purchasing of which the Division of Cooperative Marketing of the United States Department of Agriculture has record was \$2,300,000,000 during 1927 and was larger during 1928. Over 2,000,000 farmers in the United States are members of one or more cooperative associations.

Volume of business, however, is only one measure of the success of the cooperative organizations. How well this business was carried on is even more important than how large it was. From the point of view of gains in efficiency and general stability, progress of the cooperative organizations is even more striking. The cooperatives of 1928 were incomparably better managed business organizations than those of 10 years ago. The farmers of 1928 had a better comprehension of marketing problems and a better understanding of the aims and possibilities of cooperation than they had in 1918. In our contacts in the Division of Cooperative Marketing with managers and officials of cooperative associations we have definite evidence that they are gaining a clearer comprehension of their problems and that cooperative business is being carried on more and more in accordance with carefully developed plans and less and less by rule-of-thumb methods and guesswork.

TRENDS DURING 1928

Space will not permit detailed description here of the trends and progress of the various commodity groups in cooperative marketing and purchasing. Broadly speaking, however, there have been at least five developments of outstanding importance. First, a broader and clearer comprehension of cooperative marketing and purchasing has been developed through educational methods not only among farmers but also among farm boys and girls in rural schools and in agricultural colleges. Second, the standardization of grades, packing, and trade practices, which have resulted in marked progress during past years, has shown further progress during 1928. Third, increased operating efficiency has been effected from the application of better business methods and through obtaining a larger volume, thereby reducing the unit cost of doing business. Fourth, business practices have been adapted to needs of both producers and the market. And, fifth, the recent tendency toward cooperation among cooperatives has tended toward unification within each industry or commodity branch of agriculture.

COOPERATIVE MARKETING EDUCATION EXPANDED DURING 1928

In addition to wide instruction in cooperative marketing and purchasing through public schools, universities, essay contests, farm bureau extension work, and farmers' schools, there has been a better

understanding of the importance of the local association as a unit of a larger marketing organization. Not only can local functions of assembling, grading, packing or processing, and shipping be performed economically by these local organizations, but they serve as a concrete link between the farmer and the marketing agency. They give him a first-hand knowledge of the operations of the cooperative with which he is connected and serve as training schools for farm leadership.

STANDARDIZATION PROGRAMS PROGRESSED DURING YEAR

Farm products are graded and packed better to-day than ever before. Much of this improvement has resulted from the operations of cooperative associations. The system of pooling adopted by most associations makes grading necessary in order to avoid inequalities among members. It follows from the practice of grading and pooling that each member is paid in accordance with the grade and quality of the product that he delivers. This, in itself, is of tremendous importance in encouraging better production practices and better handling of the product from the farm to the market.

As a concrete example, Land O'Lakes Creameries (Inc.) has improved and standardized the quality of butter manufactured by the 425 local creameries that are members of this federation. Three years ago only 51 per cent of the output of these creameries was of sufficiently high quality to be sold under "Land O'Lakes" brand, which is placed only on sweet-cream butter scoring 93 points or higher. In 1927, 72 per cent of the total output of these creameries met the high standards maintained for Land O'Lakes butter. The Land O'Lakes Creameries have brought about this improvement by educational work and by a system of inspection which assists the creameries and the dairymen in maintaining this high quality. But Land O'Lakes Creameries has done more than this. It has returned to the creameries and to the farmers market premiums for butter of high quality. Education is all very well, but unless a farmer can obtain the premium which the market is willing to pay for his product of superior quality it must be admitted that he has little incentive to go to the additional expense and trouble necessary to obtain this quality. The successful cooperative associations have definitely and permanently raised the quality and grade of the product which they handle, because they have returned to their members the premiums which the market is willing to pay for these products.

BETTER BUSINESS METHODS AND LARGER VOLUME INCREASED MARKETING EFFICIENCY

As they have gained in experience and strength the cooperative associations have been able to make material savings in marketing expenses and have been able to eliminate wastes in marketing which formerly were a burden on the farmer. A large part of the savings arise from the volume of business which is handled by the large-scale cooperative organizations. Savings that arise from large volume of business may be obtained, of course, by private marketing agencies. However, because they are farmers' organizations, the cooperative associations are able to obtain, on an average, a larger volume of business than privately owned competitors. Many instances might be cited where a cooperative has handled, at material reductions in costs, business which was formerly carried on by possibly 10 or more independent dealers.

There are also available many concrete examples of material reductions in marketing costs. A reduction in packing charges of approximately 10 cents per box was one of the first benefits to the orange growers who organized the California Fruit Growers' Exchange. Three Pacific coast poultry associations, five years ago, organized a cooperative agency to represent them in the New York market. In 1927 these three associations sold over 1,200,000 cases of eggs through this agency, at a cost of less than 24 cents a case. Formerly it cost them 60 cents a crate to market eggs in the East through a broker.

Reductions in marketing costs, important as they are, are only a small part of the possible services of cooperative marketing associations. Systematic distribution, the development of new markets and new uses for the product, the manufacture in some cases of low-grade products into by-products, and the use of advertising and other merchandising aids in marketing are some of the accomplishments of the large-scale cooperative associations. A number of small competing marketing agencies inevitably means waste and inefficiency, price cutting, and the attendant glutting of markets already oversupplied. Control of marketing by a few strong organizations representing the grower has generally resulted in more systematic distribution and the obtaining of maximum returns under existing economic conditions for the product which they handled.

What control of the marketing situation by a cooperative means to the producer is well illustrated by the Maryland State Dairymen's Association. This association comes close to the 100 per cent sign-up, which is the goal of all cooperative officials. It does not use its power to unduly increase prices to the consumer. On the contrary, its officials believe that the welfare of the producer and the consumer are best served by a moderate stable price, which will give the efficient dairyman a profit and yet will not bring milk from distant regions to compete with that produced locally. For more than two years dairymen supplying

the Baltimore market have received, during every month of the year a price of 33 cents per gallon for milk sold as fluid milk. If a dairyman knows what his production will be, he may know what his income will be this month and next month.

COORDINATION OF MARKETING ACTIVITIES AIDED PRODUCER AND MARKET

One fundamental reason for the continued development of cooperative marketing is that it offers, under present conditions, the most practicable means of coordinating production and marketing. Marketing problems in agriculture can not be separated from production. In fact, they grow out of production problems. If it were possible to reach the ideal state under which we could obtain an adequate, but not excessive, supply of farm products of desirable quality, graded and packed according to known standards, marketing would become a relatively simple process. It could be carried on successfully by any agency, whether cooperatively or privately owned, which handled a reasonably large volume of business and operated with modern efficiency.

But such ideal conditions are seldom found in agriculture. Supply varies from year to year and from month to month, and is seldom coordinated with demand. There are wide variations in the quality, size, and shape of farm products, and standardization is obtained only by close attention to details. Consequently, agencies marketing agricultural products are working under the handicaps of uncertain supplies and lack of year-to-year uniformity in quality. Farmer owned and controlled cooperative associations are more than mere distributing agencies, for they also serve to link the farmer with his market. Unless a farmer is a member of the organization that markets his products, he has little or no contact with market problems and little or no conception of the kind, quality, and quantity of farm products which the market demands. He is frequently unwilling to cooperate with the private dealer. Furthermore, as has been mentioned already, under the cooperative system he usually receives market premiums for quality, while under a noncooperative system he seldom receives such premiums. Hence, the member of a cooperative has an economic motive for improving his production practices which other farmers do not have. Consequently, the cooperative associations, in so far as they have developed to the point where they are able to offer the farmer a complete marketing service, are coordinating production and marketing.

COOPERATION AMONG COOPERATIVES

The trend toward centralization is illustrated by the way in which cooperative marketing and purchasing associations handling the same commodities are joining together into commodity trade organizations. To-day 44 of the largest cooperative associations handling milk, butter, cheese, and other dairy products are linked together in the National Milk Producers' Federation. Within the past year several of the leading wool cooperatives have formed the National Wool Marketing Council. Thirteen of the livestock terminal cooperative agencies are working together in the National Livestock Producers' Association. This trend of cooperatives within the various commodity groups is indicative of the progress being made toward greater cooperation among the cooperatives themselves.

The linking together of certain marketing functions through overhead agencies for the centralized control of selling, directing distribution to market, and grading and packing according to uniform standards increases the effectiveness of the local cooperative association. The state-wide cotton associations making up the American Cotton Growers Exchange this year have taken steps to have all sales made by branch offices operated by the exchange instead of by each association independently, as heretofore. A partial merger of two large butter-marketing associations also provides for similar centralization of sales. The farmers' elevators are interested in the development of terminal sales agencies. The livestock producers, of course, have made tremendous progress in this direction—the combined business of 25 cooperative agencies in the terminal livestock markets exceeded \$300,000,000 during 1928.

During the last four years agricultural cooperative associations in all sections of the United States and the general farm organizations have worked together in a national educational enterprise—the American Institute of Cooperation. Within the last few months the agricultural cooperative associations, through their commodity-group organizations, have been considering and developing plans for a national organization of agricultural cooperatives which will assist in coordinating those marketing problems which are of interest to all farmers' business organizations. Through this central body the cooperatives would be able to deal with protective, educational, legislative, and other similar matters of common interest to agricultural cooperative associations.

1929 AND THE FUTURE

A review of 1928 shows that the cooperative form of business is peculiarly well adapted to the farming industry. It is inherently sound, and definite progress is being made in applying better business methods to the production and marketing of farm products through cooperative associations. The outlook for 1929 is especially favorable, primarily because our knowledge of the essentials of successful cooperative organization is continually increasing and because the number of farmers who appreciate the significance of the movement is growing.

Mr. FESS. Mr. President, I have a communication from the President of the Grain Dealers National Association touching upon the pending legislation. I ask unanimous consent that it be inserted in the RECORD and that it shall lie on the table.

There being no objection, the communication was ordered to lie on the table and to be printed in the RECORD, as follows:

We desire to declare our approval of farm relief legislation along the lines that are economically sound and having as its purpose the relief of agriculture and its restoration to a degree of prosperity on a parity with that enjoyed by other basic industries.

We are essentially concerned in distribution and in the mechanics of distribution, and believe that the existing system of receiving, handling, storing, and distributing the grain crops of the country, being the development of the trade over a long period of time, is not only efficient and expeditious but is effected at a minimum cost. Our members have in the aggregate many millions of dollars invested in these facilities, ranging from the modest country receiving station to the great terminal elevator reservoirs. We sincerely tender the use of this system and these facilities to promote the application of any plan that may be evolved, but we earnestly request that you neither recommend nor approve any innovation that will destroy or materially depreciate the value of this investment.

Our membership is composed largely of individual operators and stock companies, in many of which farmers have a substantial share. We also enroll a number of cooperative associations. Each group is legitimate and is rendering a service that is adequate and necessary. We consider that equal rights and opportunity to all is a fundamental American principle, and ask that this be recognized in pending or proposed legislation. We make the plea that any advantage or favor granted by farm relief legislation to distributors, or organizations of distribution, shall likewise accrue to the benefit of all classes of ownership and shall be as accessible to the individual or stock company as to the cooperative organizations.

Our association in the consideration of all legislation has always taken the position that any plan proposed must be sound economically; that any proposal based on unsound principles would inevitably result disastrously, and might well be compared to a house built on the sand. This we hold to be fundamental and vital.

For this reason we are compelled to oppose any price-fixing plan. We view any legislation so conceived as contrary to sound fundamental economic principles. Overproduction would naturally result, with all its attendant ills, and again make necessary deflation, an operation from which agriculture is now slowly and painfully emerging.

We believe, however, that there are sound economic remedies which may well be considered and which will aid the producer.

Agriculture is entitled to, and should receive, all possible aid from the tariff. Large quantities of farm products and substitutes for farm products are imported which could be profitably produced under suitable protection, and which would employ millions of acres of land now producing unprofitable crops which are of necessity now forced on foreign glutted markets.

A large and well-organized research department under the Department of Agriculture to discover new industrial uses for farm products would, we believe, go far toward developing profitable markets for many commodities now burdensome. Such an organization would likewise no doubt find a use for many waste products estimated to aggregate 140,000,000 tons annually. Science and chemistry have solved many industrial problems and, we believe, could materially aid in the farm solution.

If domestic requirements can be developed to a point wherein production is met or balanced by consumption the farm problem would be solved. Tariff and research, we believe, will go far toward accomplishing that desired end.

In the revision of the tariff we urge that it be confined to agricultural schedules, inasmuch as the coming special session of Congress is to consider particularly farm problems.

We suggest that further land reclamation projects be deferred until such time as there is need for increased production, and that these projects be regarded as agricultural reserves for the use of posterity.

As a very important factor contributing to farm relief we earnestly recommend that freight rates on farm products destined for export be lowered substantially, and that these reduced export freight rates be made to apply from points of origin. We most heartily indorse favorable attitude of President Hoover toward the development of our inland waterways. Low transportation costs, and especially as applied to export shipments, are most important. Our grain values on surplus crops are determined by the prices that can be obtained in foreign consuming markets, based on competing quotations from other countries, less transportation and handling charges. Reduced export freight rates will maintain domestic values on a correspondingly higher level, and, we believe, is worthy of much consideration.

These suggestions have had the indorsement of our membership in the annual conventions of 1927 and 1928. We realize that they do not offer a perfect solution nor a cure-all for all ills, but we are convinced

that they are sound economically, fundamentally, are practicable, and will hasten the restoration of agricultural propriety.

Finally, we submit that material relief may be obtained by the use of private capital in providing facilities for storage, processing, and distributing many items of farm produce. We have in mind particularly perishable products. There is no dearth of capital seeking remunerative employment. Naturally it hesitates to enter into any adventure in which the Government may become a competitor. We do not apprehend that the Government will so far invade the field of private business as to engage directly in the buying and selling of farm products. However, we do feel that the Congress of the United States should determine its policy and make unequivocal statement of its intention, to the end that private capital may be encouraged to enter into certain forms of investment and financing that may prove of material aid to agriculture as an industry.

Respectfully submitted.

GRAIN DEALERS' NATIONAL ASSOCIATION,
A. S. MACDONALD, President.

APRIL 10, 1929.

Mr. HOWELL. Mr. President, during his remarks in the Senate yesterday, the able Senator from Kentucky [Mr. BARKLEY] very properly questioned the criticisms directed against the farmer because of his indulgence in the movie and joy riding. The reference recalled to my mind a spirited defense of the husbandman made by an eminent English clergyman 140 years ago. You see the struggle of the agriculturist against his lot is not of recent origin. This clergyman catalogued the reasons cited by the critics of the husbandman for his unfortunate condition of that day. Of course these critics did not include the movie habit but they did charge the husbandman with scorning potatoes three times a day and indulging in the extravagance of eating wheaten bread. Neither did his critics refer to joy riding but they did point out that bankruptcy necessarily yawned for husbandmen who squandered their substance upon the luxury of drinking tea. Indeed, history repeats itself, but seemingly on different planes. But, Mr. President, extravagance is not the root of the farmers' plight.

As the Senate is aware, the American farmer, generally speaking, pays more than the European peasant for what he buys, and receives less than the European peasant for what he sells. As a consequence, based on the average price of grains in this country and Europe for the three years ending with 1927, it has required twice as much corn here, in the United States, to buy a straw hat as in that portion of Europe where corn is raised; two and one-third times as much barley to buy a ton of structural steel shapes; two and one-half times as much rye to buy a box of double-strength window glass; and three times as much oats to buy a 100-piece dinner set of white china, undecorated.

Omaha, my home city, has developed a great grain market. It exports wheat to Europe. It costs, for transportation alone, about 30 cents to deliver a bushel of wheat at channel ports on the other side. Thus, it must be evident that the price of wheat there is at least 30 cents higher than at Omaha, unless the exporters are losing money, which, of course, they are not. Yet, as I have stated, the American farmer pays more than the European peasant for what he buys. Yes; and, generally speaking, the American farmer receives from a quarter to a third less for what he sells.

Is it to be wondered that the farmer complains of economic inequality? Is it remarkable that there are those who are apprehensive that the farmer is on the road to peasantry?

Congress has the power to correct this inequality, because it is due to a maladjustment in the distribution of wealth in this country—that wealth accruing each year to our people and constituting the national income. The farmer is not getting his share of that income. Congress can correct this injustice, inasmuch as the distribution of the national income is in accord with what society decrees. Economists are agreed upon this proposition. We also know this is true because we know that the distribution of such wealth has been different in different ages and is different in the various countries of the world to-day. Hence Congress, the instrumentality of our portion of society appointed to express its decrees, can alter the distribution of wealth in this country for the benefit of the farmer. It has exercised its power to do this for others on many occasions.

The Adamson law of 1916 is an example of such legislation. Congress decreed an 8-hour day with 10 hours' pay for employees in the transportation industry. This increased compensation of 12½ per cent per hour was not paid out of the United States Treasury, but was ultimately passed on to the public, thus diverting into the pockets of railway operatives a portion of the national income which they could not have otherwise enjoyed and thereby decreasing the net income of others. Restriction

of immigration has similarly operated to the advantage of labor through the elimination of immigrant competition, thereby affecting the distribution of the national income.

In 1920 the railroads appealed to Congress for a larger portion of the Nation's income. The Esch-Cummins law was the result, decreeing the maximum rates fixed by the Interstate Commerce Commission as minimum rates also. This was price fixing pure and simple and eliminated all competition in the transportation industry. Through this act of Congress huge sums have been diverted from the national income into the treasuries of the railroads that could not have otherwise been enjoyed, with the result of a prosperity never before experienced. Read and compare stock-market quotations of the past 10 years. They indicate the advantages which Congress can confer when it has the will to do so. Since early in our history we have been enacting tariff laws enabling the manufacturer to charge a higher price for his goods to our people than otherwise possible, thus enabling the diversion of vast sums from the national income through such congressional action and favor.

Therefore, as Congress has the power to act and there are ample precedents for such action, all that is necessary in this emergency is the will of Congress to do so, the genius to devise, and the courage to act.

It may be urged that the farmer is already the beneficiary of the use of this power because of the tariff schedules with which he has been favored. True; but the result of the farmer's tariff schedules has been far different from that in the case of the manufacturer, as we know and as the facts I have enumerated demonstrate. Why is this so? It is because the tariff enjoyed by our manufacturers does two things. It affords a largely exclusive market in this country for their goods. This was claimed as practically the sole end of the tariff in the early years of our history. Now, however, there is another end—a price level above the world market, maintained at the top of the tariff wall.

It was early urged that the tariff would not increase the price of protected goods because of competition behind the tariff wall. This argument has long been forgotten. There is now no such effective competition, if there ever was. Combinations and mergers have utterly changed the situation through the reduction of the number of concerns producing in the different lines. Voluntary cooperation for the maintenance of price levels and the insurance of profits have thus been rendered possible. To-day there are but 20 concerns engaged in the manufacture of steel. A noonday luncheon of steel magnates suffices for an understanding as to production and prices. There are but 90 concerns manufacturing window glass in this country, a number which presents no serious obstacle to the development of voluntary cooperation for the elimination of competition. There are only nine concerns engaged in the manufacture of the type of chinaware to which I have previously referred. Straw hats are produced by but 19 concerns. There is only one corporation in this country producing aluminum, and that is a monopoly protected by the tariff.

But how is it with the agricultural industry? There are 6,300,000 farm concerns in this country, among whom voluntary cooperation for the control of production and the fixing of prices is all but impossible. Every farmer is in unrestricted competition with his neighbor. As a consequence, though the farmer enjoys a largely exclusive market for his products in this country, he is unable to keep the prices of his products at the top of the tariff wall, as in the case of the manufacturing industries. Hence why he is asking for legislation, and hence why Congress has been called into extra session. As I have before stated, Congress has the power to correct this situation, provided it has the will to do so, the genius to devise, and the courage to act.

Right here, Mr. President, let me read the major promise in the agricultural plank of the Republican platform. It closes the plank; it includes everything that has been said before and more:

The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success.

There is no mistaking the language. It does not make any difference what method we adopt, if we do not afford economic equality we have failed to live up to this platform, to the promise which we have made the farmer; and inasmuch as the Congress can alter the distribution of wealth—the national income of this country—to such degree as to afford economic equality, then there will be no excuse if the method we adopt fails, except failure.

What is necessary to accomplish economic equality for the farmer may be arrived at with more or less accuracy in dollars

and cents. The national income is about \$80,000,000,000 per annum. In the neighborhood of 23 per cent of our population is on the farms. With these premises, a pro rata allocation would entitle the farmers to about \$18,500,000,000. At the present time the farm income is estimated at \$12,250,000,000. It has been as high as \$15,700,000,000. I am confident it will be agreed that it should be increased at least \$2,000,000,000 above what it is now, or to a total of about \$14,250,000,000; and, Mr. President, that would be a billion and a half dollars less than what it has been in the past.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. HOWELL. I do.

Mr. BROOKHART. I should like to call the Senator's attention to this fact: Out of the twelve billions, or such a matter, of gross products of the farm, 27 per cent, according to the Agricultural Department's report, remains on the farm to operate the farm as feed, seed, work animals, breeding animals, and so forth, and can not be converted into income, and must remain there year after year. If those things are sold or disposed of at all, they must be replaced, perhaps even at a higher cost.

Mr. HOWELL. I will ask the Senator from Iowa if it is not a fact that the income of the farm should be increased at least \$2,000,000,000 a year to insure economic equality?

Mr. BROOKHART. I had a much higher figure than that in mind. I had about double that amount in mind in order to give the farmers something like equality with other industry. Of course, not all industry is prosperous. One hundred and seventy-seven thousand corporations, 40 per cent of the total, have operated at a loss since 1922, I believe—I am not quite certain about the year. But, even making allowance for that, the ones that are prosperous are the big combinations, of course; and if we average the whole thing, I had in mind that we would need to increase the farmers' income four or five billion dollars to give them the average income of the industries of the country. But I had the national income higher than the Senator has it. I had it \$90,000,000,000, those being the figures used by the President; and I think they are more accurate as the present-day figures, though I think the Senator's figures would represent about the average of the last 10 years.

Mr. HOWELL. Mr. President, I have tried to be conservative in my estimate. In my opinion, we can not afford economic equality to the farmer without increasing the farm income in this country, on a basis of present production, \$2,000,000,000 a year. Based upon these estimates, the problem before Congress is how to divert from the national income two additional billions into the pockets of the farmers. The method proposed in the House bill and in the Senate bill, exclusive of the debenture feature, is for the farmer to develop voluntary cooperation, to the end of controlling agricultural production and maintaining a price level such as will give him an increased income of \$2,000,000,000 per year.

It is urged that whereas voluntary cooperation has not been successful in the past it shall be rendered successful through the creation of a Federal farm board equipped with a revolving fund of \$500,000,000, with authority to loan it to farmers' cooperatives and stabilization corporations.

Mr. President, I wish to call attention to the fact that this board is equipped with no governmental authority. If there were a philanthropist in this country who should name a board and lay down in the deed of trust or organization the same premises that are to be found in the Senate bill, and place at the command of the board \$500,000,000 for the benefit of agriculture, that board would have power and opportunity to do for the farmer all that the Federal farm board, created under this bill, will have power to do. We are not clothing this board with great power. We are not authorizing it to fix prices, as we authorized the Interstate Commerce Commission to do for the railroads—not at all.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska further yield to the Senator from Iowa?

Mr. HOWELL. I do.

Mr. BROOKHART. On that proposition I should like to ask the Senator who he thinks will fix the prices for the farmers under this bill—how their prices will be determined?

Mr. HOWELL. They are to be determined by the farmers themselves, if they are able to do it. This bill provides that the farmers shall do everything for themselves; that this board shall be merely advisory, with power to loan \$500,000,000.

Mr. BROOKHART. Then the price will be fixed in the same way that it is now; the farmer will take what they offer him in the foreign market?

Mr. HOWELL. I am fearful that is so; but I hope.

Mr. BROOKHART. And if this bill stabilizes farm prices it will stabilize them at the low foreign level rather than at any cost-of-production level?

Mr. HOWELL. I have never held that by any practicable legislation that we might enact the farmer could be assured of a higher price for his surplus; but I have held that inasmuch as he pays United States prices for what he buys, it is the duty, as it is the power, of Congress to afford him United States prices for his products consumed in this country.

Mr. BROOKHART. I understand the Senator's position; but let us take cotton, for instance. The cotton surplus amounts to about 65 per cent of the exportable cotton of the whole world. If that were financed and withheld from the world market, could it not be sold at an asking price, instead of being dumped for what is bid at the present time, and would not that improve the world price itself?

Mr. HOWELL. I feel that orderly marketing can do a great deal for cotton. Probably it is all that can be done unless we should adopt a tariff for cotton, even though no cotton is imported into this country, and then raise the price for our home consumption, as we would have raised agricultural price levels in this country through the operation of the McNary-Haugen bill had it become a law.

Mr. BROOKHART. The manager of the Canadian wheat pool stated that the savings were only from 2 to 4 cents a bushel in reducing the cost between producer and consumer, but he estimated that they had stabilized the world market itself to some extent; and if the United States could join Canada we would have from 60 to 65 per cent of the exportable wheat of the world, and by financing and withholding that we could get an asking price for wheat and improve the world market, instead of selling at what they bid us now. What does the Senator think about that proposition?

Mr. HOWELL. With sufficient funds and the control of 65 per cent of the world's production there is no question about the possibility of increasing the price level of wheat, at least for a period of time.

Mr. BROOKHART. That is exactly what Mr. Hoover did through the Wheat Corporation during the war; and after the war, in 1919, Mr. Barnes did the same thing again, and stabilized the price, raised it up to the \$2.26 level, by simply financing and buying and holding the surplus wheat. That was done at a time when the allied countries had combined to force down the price of wheat, and when they still maintained the German blockade so that we could not sell to Germany, and when it was a harder proposition to fight than it would be in ordinary peace times.

Mr. HOWELL. However, I feel that we enjoyed certain advantages at that time, among others the absolute necessity of the Allies obtaining wheat, that aided in stabilizing the price as it was stabilized.

Mr. BROOKHART. I know; but for 4 months and 13 days after the armistice they maintained the German blockade and shut us out of Germany when the people of that country were really starving, and in that way the market that demanded our wheat was closed to us, and at the same time they were in combination with one buyer to force down the price of wheat, and it was necessary in the case of the 1919 crop to buy and hold \$300,000,000 worth of wheat.

Mr. HOWELL. But, Mr. President, we enjoyed peculiar advantages at that time. We were not only furnishing the wheat to be purchased but we were furnishing the money with which to purchase.

Mr. BROOKHART. Yes, Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska further yield to the Senator from Iowa?

Mr. HOWELL. I do.

Mr. BROOKHART. But, in reference to that proposition, Mr. Hoover asked and got an appropriation of \$1,000,000,000 to handle that wheat for the Wheat Corporation alone. There is no such authority, however, in this bill. There is no authority to determine the cost of production. There is no authority to bid the cost-of-production price. There is no authority to do anything except to do what Shylock did—lend money to these cooperatives.

Mr. HOWELL. Mr. President, it is made clear in the two bills—the House bill and the Senate bill—that the farmer is to do the job of increasing the price level of his products himself. That is, he is to utilize this borrowed \$500,000,000 so as to increase his annual income, assuming present production, \$2,000,000,000 a year; and if he fails to do so, we have failed to afford him a method of securing agricultural equality. In other words, with every dollar borrowed of this \$500,000,000 he is to make \$4 per annum, not merely this year but each year hereafter. If he fails, then we will have failed to provide real farm relief.

Does any Senator here believe that the farmer will be able to do this? The skilled financier would find it difficult indeed to achieve such a result with a smaller sum of money in any line. It means that to succeed the farmer must make 400 per cent per annum on his borrowed capital. I am frankly apprehensive of the result. Possibly it is because I do not understand. Certainly it is beyond my experience.

Here is an industry, and that industry is to be mobilized, and is to be loaned \$500,000,000, about 4 per cent of its present annual income; and it is expected to utilize that \$500,000,000 so effectively that it will return 400 per cent per annum.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. HOWELL. I yield.

Mr. WALSH of Montana. My attention has been diverted, and I was not able to follow the argument by which the Senator reached that conclusion. Will he be kind enough to restate it?

Mr. HOWELL. I pointed out that in order to afford agriculture equality, it would be necessary to adopt legislation that would divert from the national income into the pockets of the farmer, annually, at least \$2,000,000,000, based on present production. Thereby we would raise the farmer's income from \$12,250,000,000 to \$14,250,000,000, whereas he has already enjoyed a maximum income of \$15,700,000,000.

The Senator from Iowa feels that \$2,000,000,000 is not as much as is necessary to afford agricultural equality, but, to be conservative, I have adopted that figure, and I submit that the plan proposed is this, that this industry borrow \$500,000,000, and then, by its own genius and ability, increase its gross income \$2,000,000,000 a year, and more if present production is increased.

Mr. WALSH of Montana. As I understand the Senator, his proposal is that this bill falls far short of putting agriculture on the same plane with other industries, and in order to reach that result it would be necessary that the \$500,000,000 thus borrowed from the Government should produce annually \$2,000,000,000 in order for agriculture to reach a parity.

Mr. HOWELL. That is my position.

Mr. BRATTON. Mr. President, will the Senator yield?

Mr. HOWELL. I yield.

Mr. BRATTON. I am curious to know how the Senator arrives at the figure \$2,000,000,000 as being the required increase in the income to the farmers of the country in order to put them on a parity with other industry. Will the Senator be kind enough to state that briefly?

Mr. HOWELL. There has been a reduction in the number of farm operators since 1919. In that year the farm income approximated \$16,000,000,000. I established a proportion and arrived at the figure of about \$14,000,000,000. However, this proportional method is not essentially correct, because those who have left the farm were those who were least aiding in production, and the capital, especially in their lands and buildings, is still largely in the industry.

I feel that two billion is conservative, and I can not understand how it will be possible for the farmer by himself, without the aid of any special governmental power, by the mere borrowing of \$500,000,000, to increase his income \$2,000,000,000 a year; in other words, make 400 per cent upon his borrowed capital. We know that ordinarily if a man makes 10 per cent on his capital he is doing well, and that if he makes 15 per cent upon his capital he is an exception, indeed.

Mr. WALSH of Montana. Mr. President, will the Senator yield further?

Mr. HOWELL. I yield.

Mr. WALSH of Montana. I share the obscurity of mind of the Senator from New Mexico, though, with respect to how the Senator arrives at the conclusion that the returns to the farmer must be increased \$2,000,000,000 annually in order that the returns to agriculture shall be on a parity with the returns to other industry.

Mr. HOWELL. Mr. President, if we afforded an additional \$2,000,000,000 a year, it would increase the income of the farmer something more than \$300 per operator in this country, and as a general proposition, I submit to the Senator from Montana, if we did as much as that, we would not be affording more than agricultural equality in this country.

Mr. BRATTON. Mr. President, I do not know that I understood the Senator accurately, but if I understood him correctly a while ago he said this, in substance, that in 1920 the income to the farmers was \$16,000,000,000, and that since then it has been reduced to \$14,000,000,000.

Mr. HOWELL. Twelve billion two hundred and fifty million.

Mr. BRATTON. And the Senator is using 1920 as the time at which agriculture was on a parity with other business, and

he is using the decrease in the income to agriculture since 1920 as the spread which must be covered through an adequate bill that will put agriculture on a parity with other industries. Do I understand the Senator substantially correctly?

Mr. HOWELL. Yes; that is substantially correct. Necessarily there are many assumptions in this estimate, but I have endeavored to state concretely what we have to do, what the problem is, before Congress. I wanted to express it in dollars and cents. Assume the sum necessary only a billion dollars; then the farmer must make 200 per cent upon his borrowed capital.

As a consequence I feel that we should be fortified with an additional method for achieving the result we have in mind, not compulsory, but optional, that may be utilized should the proposed method fail to meet expectations. Hence, though the debenture plan included in the Senate bill is not my choice, yet as it seems that no other alternative has any chance of adoption, I shall vote to retain this debenture feature in the bill. I am strongly moved to do this because of the testimony of the experts of the Department of Agriculture before the Senate Committee on Agriculture. It is stated in that testimony that Germany adopted such a plan in 1894, suspended it during the war, but promptly readopted it following the war; that such a plan has also been put into effect by Sweden, and that its cost to the United States Treasury, based upon present production, would probably be less than \$150,000,000.

I am little moved by the argument that the elevation of the price level of agricultural products, which would certainly result from the use of the debenture plan, would increase production. This is because agricultural relief can not be afforded without raising the farm price level. Therefore, if our efforts in behalf of the farmer are successful, by whatever method, the problem of increasing production will have to be faced. I shall support the Senate bill should the debenture feature be excluded. It will indeed mark the beginning of agricultural relief, and I trust will be effective far beyond my expectations.

Mr. REED rose.

Mr. HEFLIN. Mr. President, I desire to be recognized, and if the Senator from Pennsylvania wishes to make a motion, I will give way for that purpose. I desire recognition so that I may discuss the farm-relief question to-morrow morning.

DEATH OF REPRESENTATIVE JOHN J. CASEY

Mr. REED. Mr. President, I ask the Chair to lay before the Senate resolutions from the House of Representatives now on the table.

The VICE PRESIDENT. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read the resolutions, as follows:

House Resolution 40

Resolved, That the House has heard with profound sorrow of the death of Hon. JOHN J. CASEY, a Representative from the State of Pennsylvania.

Resolved, That a committee of 35 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect, this House do now adjourn.

Mr. REED. Mr. President, I send to the desk the following resolutions and ask that they may be read, and I ask unanimous consent for their present consideration.

The resolutions (S. Res. 56) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOHN J. CASEY, late a Representative from the State of Pennsylvania.

Resolved, That a committee of six Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now take a recess until 11 o'clock a. m. to-morrow.

The Senate thereupon (at 5 o'clock p. m.) took a recess until to-morrow, Wednesday, May 8, 1929, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES

TUESDAY, May 7, 1929

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Not unto us, O Lord, not unto us, but unto Thee be honor and glory for ever and ever. We bless Thee for life lived here and now. Let the divine fingers sweep over the harps of our souls, and do Thou keep them in tune with the Infinite. May their music be good thoughts, aspirations, and loves—these all—wonderful realities and fine nobilities. Anything that cheapens manhood, that fetters it to earth, and stands in the way of its essential freedom and its moral worth, do Thou defeat and destroy. We thank Thee for the power not ourselves that makes for righteousness. Establish the work of our hands this day, and praises be unto Thee in the timeless glory of an unaging heaven. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

DISTINGUISHED VISITORS

Mr. TILSON. Mr. Speaker, I rise to make an announcement. We are honored to-day in having as visitors to the House of Representatives a group of distinguished representatives of our Pan American sister Republics. In the diplomatic gallery to my right sits the Commission of Inquiry and Conciliation of Bolivia and Paraguay. There are nine members of this commission, two from each of the countries directly concerned and five from neutral nations. These gentlemen and those assisting them, with representatives of our own country, are in the diplomatic gallery. I take pleasure in presenting them to the House. [Applause.]

UNITED STATES INTEREST-BEARING DEBT

Mr. WINGO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Arkansas asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. WINGO. Mr. Speaker, under leave of the House to extend my remarks I present a tabulated statement of the interest-bearing obligations of the United States outstanding on April 1, 1929, classified by type of issue, and also a separate statement tabulating the amount of interest-bearing debt payable or redeemable each year.

The statements are as follows:

Interest-bearing obligations of the United States outstanding on April 1, 1929

CLASSIFIED BY TYPE OF ISSUE	
Bonds:	
2 per cent consols of 1930.....	\$599,724,050
2 per cent Panama Canal loan of 1916-1936.....	48,954,180
2 per cent Panama Canal loan of 1918-1938.....	25,947,400
3 per cent Panama Canal loan of 1961.....	49,800,000
3 per cent conversion bonds of 1946-47.....	28,894,500
2½ per cent postal savings bonds.....	16,887,180
Total.....	770,207,310
First Liberty loan of 1932-47 coupon rates from 3½	
per cent to 4½ per cent.....	1,939,149,400
4½ per cent fourth Liberty loan of 1933-38.....	6,284,034,100
Total.....	8,223,183,500
Treasury bonds:	
4½ per cent bonds of 1947-52.....	758,984,300
4 per cent bonds of 1944-54.....	1,036,834,500
3½ per cent bonds of 1946-56.....	489,087,100
3 per cent bonds of 1943-47.....	493,037,750
3 per cent bonds of 1940-43.....	359,042,950
Total Treasury bonds.....	3,136,986,600
Total all bonds.....	12,130,377,410
Treasury notes:	
3½ per cent notes, series A, B, C, 1930-32.....	2,333,034,800
4 per cent adjusted service, various maturities 1930-34.....	517,800,000
4 per cent civil service retirement fund, various maturities 1931-33.....	90,200,000
4 per cent Foreign Service retirement fund, 1933.....	529,000
Total Treasury notes.....	2,941,563,800
Treasury certificates of indebtedness:	
Various issues, all payable in 1929, coupon rates from 4½ per cent to 4 per cent.....	1,840,739,700
Savings certificates.....	33,984,498
Total Treasury certificates.....	1,874,724,198
Total interest-bearing debt.....	16,946,665,408

Amount of interest-bearing debt payable or redeemable each year

Year	Payable	Redeemable	Total
1929 ¹	\$1,840,739,700		\$1,840,739,700
1930	619,524,050	\$2,333,034,800	2,952,558,850
1931	154,700,000		154,700,000
1932	2,470,834,800	1,939,149,400	4,409,984,200
1933	108,529,000	6,284,034,100	6,452,563,100
1934	127,700,000		127,700,000
1935			
1936	48,954,180		48,954,180
1937			
1938	6,309,981,500		6,309,981,500
1939			
1940		359,042,950	359,042,950
1941			
1942			
1943	359,042,950	493,037,750	852,080,700
1944		1,036,934,500	1,036,934,500
1945			
1946		517,981,600	517,981,600
1947	2,461,081,650	758,984,300	3,220,065,950
1948			
1949			
1950			
1951			
1952	758,984,300		758,984,300
1953			
1954	1,036,934,500		1,036,934,500
1955			
1956	489,087,100		489,087,100
1957			
1958			
1959			
1960			
1961	49,800,000		49,800,000
Miscellaneous maturities			50,871,678

¹ From April 1.

ORDER OF BUSINESS—THE TARIFF

Mr. GARNER. Mr. Speaker, with the permission of the gentleman from Nebraska [Mr. HOWARD], as well as the gentleman from Mississippi [Mr. RANKIN]—I have not been able to find the gentleman from Georgia—I ask unanimous consent to occupy the floor for 10 minutes.

The SPEAKER. The gentleman from Texas asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Speaker, permission is granted. [Laughter and applause.]

Mr. GARNER. Mr. Speaker, ladies and gentlemen of the House, I have asked your indulgence for 10 minutes in order that I may make inquiry, in the form of a statement, of the majority leader, the gentleman from Connecticut, as well as the Speaker of the House of Representatives.

I understood from the chairman of the Ways and Means Committee yesterday that he expected to introduce the tariff bill to-day, and I know that copies of the bill and report have been sent to the offices of the various Members. I queried the gentleman from Oregon yesterday as to what his intentions were for the consideration of this proposed bill. He was unable to give me any information but said that the leaders would determine the question of consideration.

I want to call the attention of the Republican side of the House particularly to the method to be adopted for the consideration of this bill, and I want to plead with you, if I may, for a degree of fairness in the consideration of the bill.

The Ways and Means Committee has spent four months in the preparation of this bill, and I do not see any reason why the House of Representatives, consisting of 435 Members, should not take ample time to consider the bill, as the committee has evidently taken unlimited time to frame it. I do not know what the gentleman from Connecticut [Mr. TILSON] or the gentleman from Ohio, the Speaker of the House, may have in mind concerning a special rule to consider this bill. If they have in mind a rule to cut off the right of the membership of this House to offer amendments, I want to appeal to your fairness not to adopt it. I want to ask you why should you adopt a rule for consideration of this legislation, the greatest piece of legislation that will come before the Seventy-first Congress, which would deprive Members of an opportunity to offer amendments.

Now, I know the Speaker of the House and the gentleman from Connecticut will say, "Oh, we are afraid." That is the first thing you will hear them say when you ask them to consider it under the rules of the House.

They will say, "We are afraid." Afraid of what? Surely you are not afraid of this little handful of Democrats, when you have a majority of 104 on your side of the House. Do you Republicans know whom they are afraid of? They are afraid of you Republicans. That is what is the matter. [Laughter

and applause.] These gentlemen have no confidence in you, and they are afraid of you.

Now, the gentleman from Oregon would not want to say he did not want us to consider his bill under the 5-minute rule, because he thinks this a perfect piece of legislation and that it is a beautiful baby. It probably has a yellow ribbon around its neck at the present time, since that is the western style, you know, in May, for babies of this kind.

The gentleman from Oregon [Mr. HAWLEY], when I asked him yesterday, declined to say whether he would ask for a rule, but he said he was going to put the odium of a rule on the leaders. I asked him who the leaders were, and the Speaker of the House of Representatives, having some doubt about it, said his time had expired. [Laughter and applause.]

Are you afraid to let the House of Representatives express itself upon the provisions of this bill?

Mr. TILSON. I am not afraid to let the Members on this side express themselves. [Applause.]

Mr. GARNER. Well, then, give them an opportunity, if you have confidence in your side of the House, with your majority of 104 and only 163 on the Democratic side. With that condition existing surely you are not afraid to let us offer suggestions, are you?

Mr. TILSON. I am not afraid of this side.

Mr. GARNER. Well, are you afraid of the Democratic side, with only 163 Members and with your majority of 104?

Mr. TILSON. No; I think we shall be able to take care of them.

Mr. GARNER. If you are in earnest and you have a piece of legislation you can defend, all I ask you to do is to give us a fair opportunity to consider it. Will you do it? I yield to the gentleman to answer.

Mr. TILSON. We shall give as full opportunity as has ever been given in the House of Representatives.

Mr. GARNER. If you give us that opportunity, that is all we want, because that will give an opportunity to offer an amendment to every paragraph in the bill. [Applause.] That is what it will mean.

We gave you an opportunity in 1913 to offer an amendment to every paragraph in the bill.

Mr. TILSON. But the gentleman does not tell the whole story, does he?

Mr. GARNER. Well, I have told this much of the story—you had an opportunity to amend every paragraph in the bill.

Mr. TILSON. I shall tell the remainder of the story when I take the floor.

Mr. GARNER. I am perfectly willing for the gentleman to tell the rest of the story.

When I think of the Speaker of the House of Representatives and the gentleman from Connecticut [Mr. TILSON], with their majority of 104 in the House of Representatives, quaking in their boots, fearful of the tremendous power they have on their own side, afraid they can not wield or control it, it makes me think that there must be something yellow, from a legislative standpoint, about these two gentlemen. It is a piece of cowardice—legislative cowardice—to deprive 163 Members of the privilege of offering amendments when you have a majority of 104.

You are college-bred men. They taught you, sir, fair play when you were at Harvard. Why do not you practice it here? [Laughter and applause.] We ask for nothing but fair play.

You have deprived the minority membership of this House of an opportunity for representation on the committee that framed this bill, and I expect to show in this Chamber by a map and by demonstration that less than one-fourth of the people of the United States have been represented in the framing of this bill, and yet you Republicans are going to cut off three-fourths of them from an opportunity of offering amendments if you follow this leadership.

It is unfair, it is un-American, it is not sound legislative policy, and it ought not to be adopted by this House. I appeal to the fair spirit of the Republican membership; I appeal to your patriotism, your love of the House of Representatives that you came here to honor, do not take away from yourselves the opportunity for fair consideration of this bill.

I took the floor this morning because I know the insidious manner in which the Speaker will call you into his office and tell you how essential it is to tie your hands before you start to fight. [Laughter.] I know his work. He is more artful than the gentleman from Connecticut [Laughter.] I fear him more.

I want to appeal to you to consider the question thoroughly. When you go back to your constituencies and they ask you why you did not offer an amendment to this paragraph or to that paragraph, do not tell them you did not have the opportunity.

If you do, you will be misrepresenting your position and opportunities. You have the opportunity, if you do not take it away from yourselves by adopting a rule that will prevent you from offering amendments to this bill.

We only ask an opportunity for fair consideration of the bill, an opportunity to express ourselves and to offer amendments. Vote them down if you desire—and you probably will—but we ought to have this slight privilege under the rules of the House of Representatives. [Applause.]

Mr. TILSON. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. TILSON. Mr. Speaker, the gentleman from Texas is always amusing, usually entertaining, and sometimes gives us food for thought. On this occasion he may have done the latter for those of the newer Members who do not know the gentleman from Texas so well and who are not so well acquainted with procedure in this House.

In the first place, a fair opportunity is going to be given for the consideration of the tariff bill. There is no disposition anywhere, so far as I know, to do otherwise.

Tariff bills are somewhat different from other bills, because of the multiplicity of items that such bills contain. There are several thousand items in this bill. From time immemorial, so far as anyone here is concerned, tariff bills have been considered either under special rules or under conditions framed by our friends on the Democratic side that were equally as potent as any rule that could possibly be passed, as I shall presently show.

Let us take the bill of 1913 as an illustration. In the Sixty-third Congress the Democrats had a larger majority, considerably larger, than the Republicans now have. What was the procedure then in the consideration of the Underwood bill?

In the first place, the general rules of the House were changed. There was written into the rules a paragraph which provided, in effect, that no amendment should be in order unless it be germane, not to the bill or to the paragraph alone, but to the particular item to which it was offered, making it next to impossible to offer any desirable amendment that would be germane to the particular item under consideration. It would seem that this should have been sufficient, but the leaders of the gentleman's party at that time were not satisfied with this gag. It was necessary to tie the hands of the Democrats by a still stronger tie.

The next move was to call their Members into caucus, as was the custom in those days, and I believe still is the custom with our friends, the Democrats, and proceed to bind the members of that party to the pledge that they would vote for no amendment whatever coming from without the committee.

So it came to pass that members on the Democratic side sat still and heard amendments for which they would have been rejoiced to vote offered on the floor, and yet when a division was called for they rose en masse in Committee of the Whole to vote against the amendment under the instructions and the pledge of their caucus. What is the use of offering amendments if two-thirds of the Members of the House are solemnly pledged in advance to vote against them, whatever they may be? This is the Democratic way of considering a tariff bill. [Laughter and applause.]

So for day after day the gentleman from Illinois, Mr. Mann, offered amendment after amendment and they were voted down, regardless of whether the Members on the Democratic side wished to have them agreed to or not.

Mr. GARNER. Will the gentleman yield for a question?

Mr. TILSON. Yes.

Mr. GARNER. Will you give us an equal opportunity?

Mr. TILSON. Oh, that is not our way of doing things. [Laughter.]

Mr. GARNER. It is our way to give an opportunity to offer amendments—just give us the same opportunity.

Mr. TILSON. We meet in conference and try to iron out our honest differences, but we do not put a gag upon ourselves. We do not bind ourselves. [Applause.]

Mr. COLLIER. Will the gentleman from Connecticut yield?

Mr. TILSON. Yes.

Mr. COLLIER. I understood the gentleman to say a few moments ago that it was almost impossible in the consideration of the Underwood bill to offer an amendment by reason of a rule which had been adopted with respect to germaneness.

Mr. TILSON. Yes.

Mr. COLLIER. My recollection is that one afternoon the then leader on the minority side, Mr. Mann, offered about 50 or 60 amendments, and the gentleman himself has just said that Mr. Mann repeatedly offered amendments. How does the gentleman reconcile the statement that it was impossible to offer an

amendment when the gentleman has just stated that his leader repeatedly offered amendments, and we all recall that one afternoon the gentleman from Illinois, Mr. Mann, whom we all thought so much of, offered at least 50 or 60 amendments?

Mr. TILSON. The gentleman from Illinois, Mr. Mann, was very adroit and resourceful in the preparation of amendments that would withstand points of order, and he was able, in spite of the drastic rule then in effect—which has been since repealed—to frame quite a number of amendments that got by the very stringent rule of germaneness, and were voted upon. But in any event, when amendments came to a vote they were ruthlessly voted down by the Democrats under the pledge made in caucus. [Applause.]

The SPEAKER. The time of the gentleman from Connecticut has expired. The Chair, under the order of the House, recognizes the gentleman from Nebraska, Mr. HOWARD, for 15 minutes.

FARM RELIEF

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to revise and extend my remarks. Further I ask unanimous consent for the privilege of having the Clerk read a small bill which I shall discuss.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to revise and extend his remarks in the Record. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Speaker, I come before my fellows of the House this morning in an earnest desire to perform a duty. In memory I listened this morning once again to the remarkable tribute to duty paid by a master of logic and eloquence in this House long years ago—Daniel Webster—who said that—

Sense of duty pursues us ever. It is always present like the Deity. If we take to ourselves the wings of the morning and fly to the uttermost part of the sea, duty performed or duty violated is still with us for our happiness or for our misery.

I come in the best sense of that sentiment, I think, this morning, Mr. Speaker, and I come bearing a mission, as does every Member of this House, to perform a specific duty here. That mission was given to me, and to each of us, by the platforms of the political parties with which we are affiliated—the duty of accomplishing legislation in behalf of agriculture.

I do not speak this morning from the standpoint of a partisan. I recall how it was during the presidential campaign that I told my home people that whether Governor Smith should be elected or whether Herbert Hoover should be elected as President, if either of them should have a plan for legislation to aid agriculture I would support that plan if it should not be offensive to my principles.

Well, here I come, and I find President Hoover with a plan. I think he is honest and earnest in the belief that that plan will be of value to agriculture. I do not find everything in the Hoover farm bill that I would like, and yet I voted for it.

Now I come not as an obstructor of the program as framed in that bill, but rather as a helper of it, and I present to the House my own plan—not a plan of farm legislation, generally, but a plan to aid the Hoover farm bill in carrying to the country that thing for which all of us have been pleading through the years—orderly marketing.

Now, in harmony with the permission granted me, I will ask the Clerk to read, outside of my time, a very small bill which I have introduced.

The SPEAKER pro tempore (Mr. BACON). Without objection, it is so ordered.

The Clerk read as follows:

H. R. 1914

A bill to promote the orderly marketing of farm products through the construction and operation of Federal warehouses for the reception and storage of farm products

Be it enacted, etc., That it is hereby declared to be the policy of the Congress to promote the orderly marketing of farm products, so that the present system and fact of disorderly marketing of farm products may be done away with. To that end the Secretary of Agriculture is authorized and directed to forthwith construct, maintain, and operate Federal warehouses at strategic localities; to receive, store, insure, and otherwise preserve in as good condition as when received any and all farm products of lasting character, such as wheat, cotton, corn, rye, oats, and barley, which producers may desire to deposit in any Federal warehouse.

SEC. 2. The Secretary of Agriculture shall have full power to promulgate rules and regulations for the storing of farm products in such warehouses; to issue to each depositor of farm products a Federal warehouse receipt showing the accepted grade of any particular grain or cotton, and the number of bushels or pounds; and deliver at any later day to the depositor, or upon his order, an equal amount of

grain or cotton of same grade, upon surrender of the original warehouse receipt therefor.

SEC. 3. The Secretary of Agriculture shall construct forthwith, maintain, and operate as many Federal warehouses as in his judgment may be necessary to receive and store the estimated volume of grain and cotton which producers may present for storage; and thereafter, if in his judgment the need shall appear, he shall construct, maintain, and operate additional warehouses for the purposes herein stated, when a survey of need shall show the necessity for such additional warehouses.

SEC. 4. The Secretary of Agriculture shall have sole power to fix fees to be charged to depositors of grain and cotton in Federal warehouses, together with the fee for issuance of a warehouse receipt for grain or cotton deposited therein.

SEC. 5. The Secretary of Agriculture, in the operation of such Federal warehouses, shall not be subject to any provision of the interstate commerce act, as amended, nor to regulation in such operation by the Interstate Commerce Commission, nor shall he be subject to the provisions of the United States warehouse act, as amended.

SEC. 6. There is hereby authorized to be appropriated, out of any money in the United States Treasury not otherwise appropriated, the sum of \$42,000,000 for the construction, maintenance, and operation of such Federal warehouses as the Secretary of Agriculture shall see proper to construct, maintain, and operate.

Mr. McKEOWN. Will the gentleman yield?

Mr. HOWARD. I will.

Mr. McKEOWN. Will the gentleman explain what advantage this bill would have over the provision that cooperative-marketing associations may borrow money from the revolving fund for the construction of warehouses and storage rooms when necessary?

Mr. HOWARD. My briefest reply would be this—that this plan is simple, and the other plan is complicated. That is my briefest explanation. Under the terms of the bill here proposed any citizen might carry his corn or cotton or wheat to a Federal warehouse, receive a receipt for a stated number of pounds of the grade of the farm produce, after officially graded by Federal warehouse officials.

If I had time I would like to show you the result of some of my investigations touching 47 years of marketing of farm products in America.

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. CRISP. Under the bill the gentleman provides that when grain, cotton, and so forth, are stored, the owner shall receive a receipt showing the number of pounds of cotton or bushels of grain, and so forth, so stored, and that when the depositor desires a return he shall be returned a like amount, pound for pound of cotton, and bushel for bushel of grain.

Mr. HOWARD. Yes.

Mr. CRISP. Who is going to take charge of the loss by reason of shrinkage in the weight of cotton?

Mr. HOWARD. Naturally the owner would take that loss, if there should be any. I would think that would be the proper way, but my great thought of the extreme value of this legislation is this. We all admit that our present system of marketing is disorderly. How can we have an orderly system of marketing at the present time, when 8 out of 10 of the producers of farm products are required through circumstances to carry their crop immediately to market following the harvest?

Mr. McKEOWN. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. McKEOWN. I can see where this bill might be of value in view of the fact that we limited the power of the board in the bill which we passed so that they can not buy facilities except for dairy products. It might be that the bill the gentleman has might become very necessary.

Mr. HOWARD. I thank the gentleman for the interruption, because I am always satisfied that I can make a better speech if intelligently interrupted, as I have been; and I hope there will be more of it. I want to get the attention of the country focused upon this great need. I do regard it as a great need. I have caused examination of the record for 47 years to be made, and I declare to you that the investigation shows that during those 47 years there have been only 2 years when the average product of the farm did not carry a materially better price at some time during the year than it carried at or near harvest, when all of the producers, or most of them, were compelled to throw their products upon the market.

Mr. SEARS. Mr. Speaker, may I ask the gentleman a question?

Mr. HOWARD. Yes.

Mr. SEARS. Over and beyond the suggestion of gentlemen who have propounded the questions to the gentleman from Nebraska, does he think there might be a special value to this

kind of legislation in connection with the prospectively growing barge service?

Mr. HOWARD. I do.

Mr. SEARS. Will the gentleman explain that a little, if he has the time?

Mr. HOWARD. I do think that this will be particularly valuable to the rapidly growing barge service, which I hope to see developed to some extent on the Missouri River, at least as far north as Omaha and Sioux City, during the next three years, and which I think will be, under the promise of the new Secretary of Agriculture, who seems to be a fine human being, who has splendid interest in the development of our inland waterways.

Gentlemen might ask me why I have not provided in this bill for specific locations of the Federal warehouses, but I want to leave all of that to the good judgment of the Secretary of Agriculture. He is commissioned with the burden of making a success out of this bill. I would particularly like to see some of these first Federal warehouses constructed upon the waterways, of course, and they should be, because there is going to be the greatest need for them.

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. CRISP. I would like to get the gentleman's explanation as to this: As I read the bill, it would place the Government directly in business, operating its warehouses in competition with private warehouses. What are my friend's views as to that?

Mr. HOWARD. I am perfectly willing that my Government shall go into any private business at any time when the general needs of the country demand that operation. Quite generally I am opposed to governmental interference with private business of any kind, but I ask the gentleman from Georgia if he knows of any way under the present marketing system where a citizen can go to a private warehouse and get a warehouse receipt which will be acceptable among his fellows generally as good for the return of so many pounds of cotton or so many bushels of grain of any kind on demand? I know of nothing of the kind. That is what I am trying to create in this bill.

Mr. HASTINGS. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. HASTINGS. As I understand from the gentleman's bill, these receipts will be negotiable, or they could be used as collateral by those who store the products.

Mr. HOWARD. Of course, these receipts will be negotiable, and the beauty of the system here proposed lies in the fact that these Federal warehouse receipts would become in a sense an addition to the volume of the circulating medium in our country, and if you will study, and I presume you have, the history of agriculture throughout the years, you will have discovered that always the value of agricultural products has been high or it has been low in measure as the volume of circulating medium has been high or low.

Mr. BRAND of Georgia. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. BRAND of Georgia. In the gentleman's study of this case, has he taken into consideration the advisability of making these receipts eligible for rediscount in member banks of the Federal reserve system?

Mr. HOWARD. I have not gone into that at all. I do not think I ought to inject it into this bill. However, I am offering the bill to the House, and at our December session I want to hear it discussed very earnestly, and amended, if need be, in any manner to make it a better bill.

The SPEAKER pro tempore. The time of the gentleman from Nebraska has expired.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent that the gentleman from Nebraska may have 10 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Certainly.

Mr. LOZIER. The Canadian grain trade is very highly and intensively organized. They have several thousand private elevators. I understand that the Canadian Government has constructed and owns and operates between 25 and 30 large terminal elevators for the storage of wheat, and they are not in competition with the private elevators. And, may I say further, apropos of the gentleman's bill, that Canada is very largely taking the grain trade of the Orient, through the operation and work of what is known as the Canadian Grain Commission, and is operating and functioning through a system of governmental elevators, which hold millions and millions of

bushels of wheat, on the plan indicated by the gentleman from Nebraska?

Mr. HOWARD. The gentleman's statement is very enlightening, and it does seem to me sometimes, gentlemen, that the time has arrived when we as Americans ought to quit boasting of our superiority over our Canadian friends until we have learned to put agriculture more on a parity with other industries, as Canada has done in many directions.

Mr. HALSEY. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Certainly.

Mr. HALSEY. I have been in the grain business for the past 25 years. I have been much interested in the proposition of the gentleman from Nebraska and in his general warehouse plan. I have before me a card, under date of April 30, which shows that there is a difference in the protein content of wheat and a difference of value of 28 cents on the same grade this particular day, as quoted by an outstanding commission house of Kansas City. Is it a part of the gentleman's plan that the receipt shall show the per cent of protein content?

Mr. HOWARD. I take for granted that our Secretary of Agriculture, having at his command all the chemically inclined gentlemen and all the scientific experts necessary, can determine the protein content, and he might in his wisdom provide for just such a receipt as the gentleman proposes. But I have not thought it best to deal with any detail in this bill; none whatever. I am only laying down a general principle of need, as I understand it; need for a warehouse system which will give us orderly marketing instead of disorderly marketing.

Mr. LINTHICUM. Mr. Speaker, will the gentleman yield there?

Mr. HOWARD. Yes.

Mr. LINTHICUM. I am deeply interested in the question of private elevators. Under the gentleman's system would the farmer be able to deposit grain in those warehouses and have them issue receipts under an agreement with them?

Mr. HOWARD. Not unless they were designated as Federal warehouses. When we come to the consideration of the bill in December, if the gentleman wants to offer an amendment providing that the Secretary of Agriculture shall make a deal with the private warehouses under the terms of which they shall be considered in fact as Federal warehouses, although remaining in private hands, that will be all right with me. I am in favor of accepting any reasonable amendment. I want to get the legislation started.

Mr. HALSEY. Mr. Speaker, will the gentleman yield again?

Mr. HOWARD. Yes.

Mr. HALSEY. I have here a copy of the law of the State of Missouri covering grain warehouses in that State. It comprises a book of 37 pages, dealing with the conduct of these warehouses. Does the gentleman propose in his bill that the Secretary of Agriculture shall determine all the details connected with the public-warehouse system which the gentleman is seeking to accomplish?

Mr. HOWARD. The design of the author of this bill is to present the principle here and have it enacted into law in harmony with the judgment of this Congress, and then trust the Secretary of Agriculture to issue instructions to depositors, not in a book of 26 pages, but within a small compass, incorporating all the details that it may be necessary for the depositors to know. The great claim I make in behalf of this bill outlining proposed legislation is the simplicity of it, the lack of needless detail, the lack of conflicting and misunderstood details that have appeared so frequently in bills heretofore in all warehouse propositions that have been offered to the Nation.

Mr. LETTS. Mr. Speaker, will the gentleman yield?

Mr. HOWARD. Yes.

Mr. LETTS. I am much interested in the gentleman's proposal. It appears to me that one of the important features of this proposed legislation is the location of the warehouses. We ought to have them in the grain region particularly. It seems to me we should have them where they will be an aid in our river transportation, which is an experiment, so that we will be able to make a real use of our barge system and provide a low rate of transportation; and to do that we must have the loading facilities along the river. At this time I understand we have a great deal of warehouse space available, but the question largely is one of location. There is a great deal of merit, in my judgment, in the gentleman's suggestion, but it ought to be limited to regions where these facilities are required, in my judgment.

Mr. HOWARD. The gentleman's statement is worthy of consideration. I thought in drawing this bill that I ought perhaps to mention a few specific locations, and then later the thought came to me that if I should work details into this bill right at the outset I would spoil the effect of all of it. So I am leaving

it to the Secretary of Agriculture, whom I can trust. I know that if I had my way some of these warehouses would be located instantly on the rivers where the barge systems will soon be in operation, as they soon will be at the gentleman's own town of Davenport, Iowa, which was once one of the busiest shipping ports under the American flag and will again be when the inland waterway system shall have been completed.

However, I did not think it well to designate any particular locations for these warehouses. I prefer to leave all the details to our Secretary of Agriculture. I can trust him, and I have got to trust him. Men, I do not know how it is with you, but I am not ashamed to confess that in my service here in the House many, many times I am confronted with the necessity of trusting somebody. The hour arrives when I must vote for or against a piece of legislation. I have not had time to examine it. I do not certainly know what is right or what is wrong. Then, what do I do? I go to certain of my fellows here in this House, without reference to their political alignments, men who have made a study of the legislation, and I ask them for their best judgment, and then I follow them. I am not at all ashamed to make such a confession as that, because it is an honestly human confession. Of course, it might be that some time we would have a Secretary of Agriculture who would not carry out this legislation as we desire, but I believe our present Secretary would, and so I can trust him to handle all the details.

My friends, the whole story of the value of this proposed legislation, I think, might well be comprehended in these few words: That for 25 years all of us here who are old enough, all of these gentlemen—of course, none of the ladies—have been pleading for orderly marketing. There can be no such thing as orderly marketing when men who grow farm products are compelled to market them at harvest time, whether they will or not, in order to procure money to continue their farm operations. Under the operation of this bill the grower of American farm products would have the privilege of selling his products when he pleases to sell them, and not be compelled to sell them, as under our present disorderly marketing system, when some other fellow demands that he shall sell them. [Applause.] That is the whole beauty of this legislation, as I see it.

Now, Mr. Speaker, I am very grateful to the House for according me this opportunity. I know I have exceeded the time that has been allotted to me through the graciousness of you all. I plead with you to study this legislation and then come back in December and help me complete it, make it better than I individually know how to make it, and let us work out something that will be helpful to the Hoover farm bill, which we have already acted upon favorably. [Applause.]

FARM RELIEF

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the subject of farm relief.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent to extend his remarks on the subject of farm relief. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, on April 29, 1929, I introduced H. R. 2164, a bill to define jams, preserves, jellies, and apple butter, to provide standards therefor, and to amend the food and drugs act of June 30, 1906, as amended.

I desire to make this statement to explain the purpose of H. R. 2164 for the information of the House:

The enactment of this bill, in the form of an amendment to the Federal food and drugs act, is necessary to protect the producers of fruits, the packers and preservers of fruits, and the consuming public against the deception and unfair competition resulting from the present general practice of adulterating fruit products with fruit substitutes. Under the food and drugs act there are no specific standards of quality required for articles of food and the standards and definitions specified by the Department of Agriculture have no legal force or effect, but are merely administrative rulings which represent the best information and opinion of the department with regard to what any particular manufactured article of food should contain. It is the purpose of this bill to provide statutory standards and definitions to which fruit products shall conform.

At the present time the adulteration and misbranding practices employed in the preserve industry can not be controlled by the food and drugs act. The officials of the Department of Agriculture frankly admit their inability to enforce as legal standards the administrative rulings of the department. Imitation jams deficient in fruit are now being sold under coined and distinctive names, and under a ruling of one of the Federal courts such products are not required to be labeled "Imitation."

These imitation products are going to the consumers as fruit jams and preserves, with the result that the manufacturers of pure preserves are unable to compete; the producers of fruits find their markets restricted and the consumer is defrauded.

As a result of the decision of the Federal court in a test case involving the labeling of an imitation preserve, honest manufacturers of jams, jellies, and preserves found themselves deprived of the protection of the food and drugs act and during the past two years less and less fruit has been used in the manufacture of jams, jellies, and preserves.

This bill has been introduced to protect legitimate manufacturers against these unfair and dishonest practices and the bill has the active support of most of the fruit-growing sections of the country. Its enactment will require a manufacturer selling a product as pure preserve or pure jelly to use a definite quantity of fruit in the manufacture of the product, and if cheaper substances are substituted for fruit the bill requires that such substandard products be labeled in such manner and form as to readily apprise the consumer of the facts. The standards and specifications for the pure and substandard grades of fruit products contained in the bill are somewhat technical, but this is required in order to completely regulate the business and to permit the law-enforcing officials to readily detect adulteration and misbranding. At the present time very large quantities of goods labeled "Pure Fruit Preserve," but manufactured with less than 45 pounds of fruit with each 55 pounds of sugar, go to the consuming public and are sold in competition with standard goods in which the full quota of fruit is employed. The future of the preserve industry is entirely dependent upon the full-flavored fruit products it manufactures, and when cheaper substances are used in place of fruit the consumer evidences his disappointment by reduced consumption. This amendment affects the fruit growers, the manufacturers, and the consuming public.

Approximately 85 per cent of the jams and jellies sold in the United States are of the varieties of raspberry, strawberry, and cherry. This shows that there is a strong preference for the flavors of these three fruits on the part of the public. Yet strawberry, raspberry, and cherry jellies appear upon the market only in the form of low-grade base or pectin jellies in the manufacture of which only about 15 pounds of pure fruit juice are used in 100 pounds of material. The proposed standards bill requires a jelly when labeled as such to be manufactured with not less than 50 pounds of fruit to each 50 pounds of sugar, and if less fruit juice is used the resultant product would be required to be plainly labeled to show its inferiority. It is confidently believed that the enactment of this bill will create an enormously greater demand for fruits, especially strawberry, raspberry, and cherry, on account of the increased quantity of pure fruit juices it would be necessary for the manufacturer to use, and the demand for these fruits will be further increased by the increased consumption of full-flavored fruit jellies in lieu of the poor-flavored products deficient in fruit juice.

This amendment, as drafted, has been discussed in great detail with the legal representative and the chemical division of the Department of Agriculture, whose unofficial advice and suggestions have been followed in every case.

The acreage in small fruits is increasing throughout the United States and something must be done to assist the growers in obtaining a market for their production. The growers' organizations of the country have generally received this bill with approval and their representatives express the belief that the relief they require will be largely obtained by the enactment of this bill. It is interesting to note the bill is being fostered not only by the fruit growers but by the manufacturers who buy fruits from the growers and who are now before Congress petitioning Congress to strengthen and tighten the requirements of the food law.

The decision of the Federal court to which I have referred has opened the door to the grossest form of fraud upon the consuming public, deprived the fruit grower of his market, placed the legitimate manufacturer of jellies, jams, and preserves at the mercy of concerns which are flooding the country with imitation fruit products.

Unless this legislation is adopted, the invasion of the market with imitation fruit products will strike a blow at an industry that has become indispensable to the fruit growers throughout the country. Were it not for the preserving industry using the fruit surplus the fruit industry would be practically destroyed. The legitimate canning industry of the country can not succeed without protection against fraudulent imitation fruit products. Let me visualize the importance of the canning industry by inserting a statement showing the number of canning establishments and the value of the products in the United States, and in some of the individual States:

State	Number of establishments	Value of products
United States.....	2,402	\$616,067,748
California.....	309	181,262,830
New Jersey.....	66	62,366,712
New York.....	211	59,461,252
Pennsylvania.....	73	35,208,238
Illinois.....	100	35,031,035
Maryland.....	322	32,678,257
Indiana.....	124	31,674,387
Wisconsin.....	150	29,870,848
Ohio.....	102	18,375,009
Michigan.....	66	14,352,863
Washington.....	55	14,242,892
Iowa.....	62	14,056,368
Oregon.....	57	12,513,211
Utah.....	32	10,127,554
Minnesota.....	38	8,086,091
Maine.....	99	7,838,923
Missouri.....	109	7,325,507
Delaware.....	55	6,541,403
Kentucky.....	26	6,173,128
Massachusetts.....	31	6,071,080
All other States.....	319	22,830,160

This proposed legislation has been submitted to the Secretary of Agriculture, and I shall insert his opinion with reference to the necessity for such legislation:

APRIL 29, 1929.

Hon. DANIEL A. REED,

House of Representatives, Washington, D. C.

DEAR MR. REED: I have your letter of April 26 inclosing a copy of H. R. 1013 and asking for an expression of the department's approval of the measure. I understand that since writing it you have conferred with members of the department who have explained the nature of the objections raised to the proposed measure in the department's report of last year to the chairman of the Senate Committee on Agriculture and Forestry. I understand further that as a result of these conferences a substantial agreement has been reached between yourself and the department's representatives on a new measure which will in effect establish standards for pure preserves, jams, and jellies and definitions for imitation products.

The department believes that such an enactment will afford a degree of protection to the public that is impracticable under the present terms of the food and drugs act. Precedent for the enactment of standards for the purpose of the food and drugs act has been established by the act of March 4, 1923, defining butter and providing a standard therefor (34 Stat. L. 768).

While we have available no recent statistics on the relative proportions of the various jam and jelly like substances on the American market, we believe that more than half of the total production of these articles is prepared with pectin and excessive sugar and that the fruit content is materially below the department's standards, particularly in the case of jam and preserves. It is true that these substandard products in general bear a labeling differentiating them from the standard articles, but the labeling which is now being required under the food and drugs act we have found in many instances does not serve as a complete warning to consumers that these articles are in fact substandard. The sale of these substandard articles we believe to be in general uneconomic. Certainly they reduce materially the amount of fruit which would be consumed if a larger proportion of the products on the market were of standard fruit content.

As a typical example we may cite the case of one manufacturer who is selling a pure preserve retailing for 25 cents per pound. He is also selling a product which would come within the classification of a fruit and pectin preserve in 15½-ounce containers at the retail rate of 22.6 cents per pound. The latter article contains 55 per cent of pure preserves and 45 per cent of sugar solution with pectin and added acid. Calculating the price of the pure preserve constituent at 13½ cents, the price asked the consumer for the sugar solution with pectin and acid is 11¼ cents. The food constituent in this sugar sirup with pectin and acid is the sugar itself, which is present to the extent of about 70 per cent. At this rate the consumer is paying for this sugar around 33 cents per pound. The reason such an exorbitant price is paid by the consumer for this bit of sugar is, of course, the manipulation of that sugar in the factory with the preserve and also the fact that it is packaged in an expensive glass container. From the consumer's standpoint it would obviously be advantageous to purchase the pure preserve as such and the sugar as such. Looking at the matter from the standpoint of the fruit delivered to the consumer in these two products, we find that in the pure preserve he receives 7.2 ounces, whereas in the fruit and pectin preserve he receives 3.96 ounces of fruit. If consumers really appreciated the economics of this situation, it is quite obvious that they would prefer the pure preserve, and it is a fair assumption that they would consume materially more fruit to

the benefit of the fruit-producing industry of the country. The identical situation exists with respect to substandard jellies.

A correction of this uneconomic situation might be accomplished, we believe, by the enactment of the substitute measure discussed by you with the department, establishing definitions and standards for preserve or jam and for jelly and defining all products substandard in fruit whether they contain pectin or not as imitation jam, preserve, or jelly. I understand that the details of such a bill are now being worked out and I see no reason, if these details conform to the suggestions made at the conferences, why the new measure will not be acceptable to the department.

The question still remains, of course, as to whether, regardless of the desirability of such a bill, it constitutes emergency legislation such as this Congress was called to consider.

Sincerely yours,

ARTHUR M. HYDE, *Secretary*.

EXTENDING RELIEF TO CERTAIN STORM AREAS

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Joint Resolution 59, the Southeastern States flood relief resolution of the gentleman from Georgia [Mr. LARSEN], disagree to the Senate amendments, ask for a conference, and have conferees named from among those who would normally be named as conferees if there was an Appropriations Committee in existence.

The SPEAKER. The gentleman from Michigan asks unanimous consent to take from the Speaker's table House Joint Resolution 59, disagree to the Senate amendments and ask for a conference. The Clerk will report the resolution.

The Clerk read the title of the resolution, as follows:

House Joint Resolution 59

To extend the provisions of Public Resolution No. 92, Seventieth Congress, approved February 25, 1929.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I take it the gentleman from Michigan is not in accord with the amendment of the Senate providing an additional appropriation of \$1,000,000 for something we have not heretofore recognized as farm relief.

Mr. CRAMTON. I will say to the gentleman from Wisconsin that I am acting in the temporary absence of the gentleman from Indiana [Mr. Wood], who will, I hope, be chairman of the conference, acting because of the urgency and to meet the personal convenience of the gentleman from Georgia [Mr. LARSEN]. I would not, of course, assume to speak for the gentleman from Indiana [Mr. Wood], but I would myself be very much inclined to follow his views, although I have some views of my own. The amendment the gentleman speaks of, in my judgment, could not be agreed to in conference. It is of a legislative character and would have to be brought back to the House for a separate vote rather than agreed to in conference.

Mr. STAFFORD. I assume from the gentleman's remarks the other day, when the original enabling act was under consideration, that he is not in sympathy with the proposition of granting \$50 an acre to rehabilitate some nursery farms.

Mr. CRAMTON. I am frank to say to the gentleman from Wisconsin that my present view—which, however, I do not say could not be changed—is that the Senate amendments go entirely too far.

The SPEAKER. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, and I shall not object, I presume the most practical way to expedite the adjustment of this matter is to let it go to conference and that that is satisfactory to the gentleman from Georgia.

Mr. LARSEN. It is.

Mr. CRAMTON. That was my purpose.

Mr. WINGO. Because if objection is made, then it would require a rule to bring the matter up for consideration, so that it would better expedite the matter—as I have said to several who have spoken to me about it—to let it go to conference.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Chair appoints the following conferees: Messrs. Wood, Cramton, and Byrns.

ADJOURNMENT OVER

Mr. TILSON. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day, it adjourn to meet on Thursday.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that when the House adjourns to-day it adjourn to meet on Thursday. Is there objection?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. BRAND of Georgia. Mr. Speaker, I ask unanimous consent that on Thursday, following the reading of the Journal and the disposition of matters on the Speaker's table, I may be permitted to address the House for 30 minutes.

The SPEAKER. The gentleman from Georgia asks unanimous consent that on Thursday, after the reading of the Journal and the disposition of matters on the Speaker's table, he be permitted to address the House for 30 minutes. Is there objection?

There was no objection.

THE COTTON MARKET

The SPEAKER pro tempore (Mr. BACON). Under the previous order of the House the Chair recognizes the gentleman from Mississippi, Mr. RANKIN, for 45 minutes.

Mr. RANKIN. Mr. Speaker and Members of the House, I rise to address you at this time in behalf of the American cotton growers, to call your attention to the fact that within the last 10 days the price of cotton has fallen \$10 a bale, and to appeal to you to protect them from further depressions.

The cotton farmers have lost on this crop already within the last 10 days between \$130,000,000 and \$150,000,000, this in the face of the fact that Congress is now in session for the avowed purpose of passing farm relief legislation.

A few days ago the President of the United States gave a written public indorsement to a program to set aside one day each year to pray for the farmers, and Sunday, May 5, was the day set. Now, the farmers appreciate being prayed for one day out of every 365, but they do not want to be "preyed" upon the rest of the year [laughter], and it is to prevent their being preyed upon further that I rise to call your attention to a situation which this Congress should correct.

In the face of the President's message here the price of cotton went down, the price of wheat went down, the price of rye went down, and the price of corn went down. On the passage of the so-called farm relief bill all these prices went down. Then, when this other proposition was made, to set aside last Sunday to pray for the farmers, cotton went down \$1.50 a bale and corn and wheat and rye and oats went down.

Now, you may preach, pray, and legislate all you want to, but it is not going to have any effect on those individuals and those concerns now manipulating the cotton market, unless you pass legislation with teeth in it, and place the powers of this Government behind it to enforce it.

The price of cotton is not regulated to-day by the law of supply and demand. You go into the cotton exchange and what do you find? Men around a ring buying and selling. There is such pandemonium that you can not understand what is going on, but when a sale is made of a block of 100 bales or more it is chalked up on the board and flashed to every part of the United States as the price of cotton at that moment.

If by manipulation or by bringing artificial influences to bear, they can work the market up or down, it has that effect all over the country. And that has been done for the last few years, is being done to-day, and the cotton growers are suffering as a result. It is because of this condition, this intolerable condition, under which the cotton growers are to-day laboring, that I am going to appeal to you to pass the bill which I have introduced to put the cotton exchanges under the supervision of the Government of the United States, just as you did the grain exchanges, and put a stop to these manipulations. [Applause.]

Let me show you some things that happen. In 1926 we made a crop of about 18,000,000 bales. The next year we made a small crop. It fell off possibly four or five million bales. Cotton ran up to 23 or 24 cents a pound. There were certain large and powerful interests that had sold cotton. They had to bring the price down in order to make deliveries. The cotton market had to come down, and it did come down, and I am going to show you to-day how they brought it down, and I think I can convince you they are doing the same thing now.

In the first place, there was some kind of influence, that I do not understand, brought to bear on the Department of Agriculture. On the 15th day of September, 1927, like a clap of thunder out of a clear sky, without any authority of law and without a precedent, there came from the Bureau of Agricultural Economics a statement to the effect that the price of cotton was going to decline, although the supply was four or five million bales under what it was the year before. When that statement was issued there was almost a panic on the exchange. There was panic throughout the cotton trade in the entire country. The price of cotton broke, and that break was augmented by the conduct of those interested in a decline in the price of cotton. It did not stop until it got down to

17 cents a pound and cost the growers several hundred million dollars.

You ask how that happened. I will tell you how it happened. In the first place the Government has fixed certain standards by which this cotton must be graded. You can go to any spot exchange or spot market and have the Government representative grade your cotton by the standards set up. Then you can tender it on the exchange. If anybody objects, they can appeal and have it reviewed; but the review is final. Then you can make anybody take it who is on the other end of your contract.

Certain powerful cotton concerns had a great deal of cotton graded in some of the outlying cotton centers and concentrated about 200,000 bales of it in New York. New York is the main market; whichever way it goes the others follow.

We charged that that cotton was below grade; that it did not measure seven-eighths of an inch in length. There are only about 6,000 bales that are short of seven-eighths of an inch long spun in the United States. So if your cotton is a fraction of an inch below seven-eighths the spinner can not take it. If you get cotton passed by the board so that you can tender it to the man on the other end of the contract, and it is impossible for him to spin it, you drive him out of the market. He pays his losses and gets out, and the market declines.

Two hundred thousand bales of that cotton drifted into New York and stayed there a whole year. They brought some of it to my office and I mailed it to cotton men all over the country. They came back and said it was "dogtail"; they said it was "punk"; they said it was low grade, entirely unfit to manufacture, and yet it was being tendered on the exchange, and the price of cotton brought down to an economic level with it.

We decided that we would investigate it and did investigate it, and I am going to show you that what I am saying is true. They said they were grading according to the Government standards, and they probably were; but the standards were short, and they knew it.

A man goes into an exchange, which is supposed to be operated for the purpose of permitting honest men to go in and honestly trade in commodities. The man goes in and says, "I want to buy 100,000 bales of cotton." They say, "All right," and he makes his bid. He finds somebody who offers a hundred thousand bales for sale, but when it comes to him he finds that he is on the other end of the contract of a man who has this low-grade cotton which has slipped by the classer, who used this short or shy Government standard, which he can force him to take. What is the result? He simply has to pay his losses and get out of the market.

These 200,000 bales stayed there while millions and millions and millions of bales were sold on the exchange. That 200,000 bales clogged the market and never moved out until we started the investigation.

Not only that, but they were tendering and retendering the same cotton over and over again. Men all over the country appealed to us to pass a law that would give governmental supervision, declaring that the cotton exchange should be affected with a national public interest, and urging us to stop the tendering and retendering of the same cotton in the same market and in the same month.

When we came to investigate we found the most terrific opposition that I ever experienced. Everybody knew and everybody admitted that if cotton was under seven-eighths of an inch in length no intelligent spinner would buy it, and if he did he would lose his money.

We had a fellow by the name of T. Ralph Jones, of Norfolk, Va. He was an ex-service man, who had fought for his country in time of war, and had the courage to stand his ground in times of peace. No man, whether a cotton speculator, a Senator, or a Representative could browbeat or intimidate him. They asked me to select a man to take charge of the men selected to go and investigate that cotton, and I selected Mr. Jones.

They said, we want men from all over the country to reclass this cotton. They went into the various spot exchanges from Galveston to Norfolk and had them send disinterested classers here to go to New York and examine that cotton. They examined it and turned in a report that only about 7,000 bales fell below the standard. Some one said, there is something wrong there, or it would have moved out. But what about the standard? There is where the trouble came. Mr. Jones says the standards that they were using were below seven-eighths, it was shy of seven-eighths, and he said that if they had used a real seven-eighths standard at least 40,000 bales of that cotton would have gone into the waste basket. Give me 40,000 bales of cotton under seven-eighths and allow me to tender it on the exchange, and I will whip the entire cotton

trade and in two years become one of the richest men in the cotton world. "Oh," but they say, "that was according to standard." I want to show you something about the standards. I will quote from the Record. Senator SMITH, who was the chairman of the committee, in speaking of these standards, addressing the classers who had examined this cotton, asked: "What was the average of those that they put on the table?" There were many cries of "shy." What does shy mean? Shy means that it was shy of seven-eighths of an inch in length and therefore untenderable.

Mr. SHEPHERD. I would say that they were shy.

Senator SMITH. What do you say, Mr. Skaggs?

Mr. SKAGGS. I would say they varied.

Mr. Skaggs, by the way, is from Dallas, Tex., and Mr. Shepherd is also from Dallas. Next Mr. Morrow, from Memphis, said that they were shy. Mr. Jones—another Jones—from Norfolk, said that they were shy. Mr. Cavanaugh, of Memphis, said that they were shy. Mr. Black, of Norfolk, said that they were shy. Mr. Smitton, from Galveston, said that they were shy. Mr. Logan, from Savannah, said that they varied. Mr. Noble, of Galveston, said that they were shy.

Not one of all those men sent there to grade this cotton tells you that the standards measured seven-eighths of an inch.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. Just for a question.

Mr. STEVENSON. I just want to ask a question. Who furnishes the standards?

Mr. RANKIN. They are furnished down here by the Bureau of Agricultural Economics, and if you will read this record you will find out who was present when they fixed those standards.

What was the result? When that announcement came like a clap of thunder from a clear sky, from the Bureau of Economics, that cotton would decline, there seemed to be an immediate tendering of this low-grade cotton, and cotton went down to 16 or 17 cents a pound. Every man who testified said that it ought to have sold at 22 to 23 cents a pound the year around.

Cotton jumped up 4 or 5 cents a pound while the investigation was going on—just as soon as we took this weight off the market. It was just like lifting a load from a rubber ball.

They have sold this year's crop of cotton already. One of the best cotton men in my locality wrote me and said, "We are being ruined, they have sold this crop already, and they must deliver it at the prices sold, and in order to do that they are manipulating the cotton market and driving it down." And that, Mr. Speaker, in the face of the fact that we have almost a million bales less in the carry-over to-day than we had a year ago—that in the face of the fact that there is bad weather and bad conditions all over the Cotton Belt. Yet cotton is 4 cents a pound cheaper than it was a year ago.

Not only that, but we must pass a law to prevent straddles, which my bill would do. I want to explain to you what a straddle is. When a man goes into one market and sells cotton in New Orleans, we will say, and buys in the same month in another market, say New York, that is a straddle. You will say that you do not see any harm in that. Possibly you do not, but I will show you how it works.

The normal parity between New York and New Orleans is from 65 to 85 points in favor of New York, because of freight and insurance charges. A man can go into the New Orleans market and buy 200,000 bales of cotton and go into the New York market on the same day and sell 200,000 bales of cotton. That insures him against loss if the market goes up or down. Then, if he can manipulate by tendering small amounts on the New York market, and especially if he has the advantage of being able to offer low-grade cotton and run the New York market down to New Orleans and squeeze out the parity, he will not lose a dollar in New Orleans and he will make \$600,000 in New York. It has been done time and time again. By the time the parity is squeezed out the whole price level will have declined. Any experienced cotton man can take New Orleans and New York quotations and tell by the distortions that somebody is manipulating the cotton market now. Not only that, but they straddle between months. They will sell in one month and buy in another. In 1923 Cooper and Gridden, of South Carolina—and by the way one of those men hung around here practically all of the time our investigation was in progress, but I never knew who he was until about the day the investigation closed—in 1923 that firm drove one month more than a thousand points out of line, and yet the Government has not done a thing in the world to check those operations. The manipulators continue to fleece the cotton growers and have driven practically every small cotton merchant in America out of business.

How are you going to compete with them? How is the small merchant who has been used to depending on the law of supply and demand going to hedge his cotton? I asked one fellow why he concentrated all his cotton in New York, and he said, "To protect my hedges." I said, "I thought your hedges were to protect your spots." The small cotton merchant can not afford to do business, because he finds himself subjected to the whims of somebody who has the power to run the cotton market up or down.

Mr. QUIN. Mr. Speaker, will the gentleman yield there?

Mr. RANKIN. Yes.

Mr. QUIN. How can the cotton merchant be prevented from buying a few bales of cotton, and how otherwise could he protect himself except by hedging?

Mr. RANKIN. He can buy it all right, but he is likely to lose what he puts in it.

Not only that but they deluded some of our southern fellows with the demand for southern delivery. We have heard the word "southern" until we have become almost wedded to it. That idea was to enable them to deliver cotton bought on the New York exchange or the New York market in Galveston, Houston, New Orleans, Norfolk, Savannah, and possibly two or three other places. That sounded good to the unthinking man, but, as a matter of fact, it gives no protection and adds no convenience. On the contrary, gives the manipulators an additional opportunity to straddle.

If the poor fellow could not survive when the manipulators had only two elements of straddle, how can he get along now when they have three?

The testimony shows that one of these fellows went up to Utica, N. Y., and said to the proprietor of one of those mills, "I want to sell you cotton." The other man said, "Oh, no; we buy from our local cotton merchant. He sells at so many points on or off New York." The other replied, "I will give you a reduction of 50 points under your local man's price, a difference of \$2.50 a bale." The proprietor of the mill said, "Fine; we will trade with you" and they agreed on December delivery. The other party to that contract went into the New York Cotton Exchange and began to buy small lots of December cotton thereby working the price of that month up, and when he got ready to deliver that cotton the millman paid \$3 a bale more for his cotton than if he had bought it from his own local merchant and the market had not been manipulated.

That is a sample of the results. The situation has got to the point where they can operate the market almost at will.

Mr. Walker D. Hines, one time Director General of Railroads in this country, is now head of the Textile Institute, which is a trust, in my opinion; a combination in restraint of trade, operating unlawfully in this country, and adversely affecting the price of cotton. I know it is useless to ask this House to investigate, but I am going to appeal to the Members of the Senate from the cotton-growing States to investigate that institution and try to put a stop to these deflations that are brought about by these combinations on the other side. He came before the committee and tried to get around it.

He said they had no agreement, but got together and each one got up and announced what he was going to do. They all announced exactly the same thing. One of the announcements was that they were going to curtail production. They gave that out to the country. Whether they did or not, it had the same effect. The effect was to help paralyze the cotton market. We have not recovered from it yet.

One of the things they agreed to do, or announced their intention or decision to do, was to curtail production by shutting down from Friday to Monday. It threw laborers out of work. The man who was trying to support his family was deprived of two days' work a week in their efforts to control production, and in that way they helped to depress the cotton market. Not only that, sometimes they made announcements which they did not carry out. Why? In order to have a psychological effect on the market which they were helping to depress. Some of them even went into the market and sold cotton, and in that way contributed to the depression. Tell me they are not in an illegal combination in restraint of trade. I ask you to take that record and read my cross-examination of Mr. Hines. I do not believe there is a lawyer in America who would not come to the conclusion that they are operating in violation of law and ought to be restrained.

Gentlemen, I am asking you to pass a law that will give the American people, the American Government, the power to regulate the cotton exchange, that great institution that has more to do with the welfare of the cotton farmers than anything else you can mention. Have we come here only to betray the farmer, only to pass some innocuous legislation, and leave these people at the mercy of their despoilers? Every man who is in-

telligent enough to be even a good Republican, much less a Democrat [laughter], knows that the cotton farmer is not getting protection under the tariff law, and that the bill you passed the other day will do him little or no good. Do not let us sit here and see the cotton farmers bankrupted by the great combinations of wealth and influence that are violating the laws of the United States and destroying the value of his products.

After our cotton investigation was over, a former president of the New York Cotton Exchange came to see me, and in order that I may not be misunderstood, I will say it was not Mr. Marsh, who assisted in that investigation. He came up to say good-bye. I said, "There is one question I want to ask you. There is one firm, I am told, that could not raise \$10,000 in 1914, that is now worth, it is estimated, more than \$100,000,000." I said, "Will you tell me how they made that money?" He looked me straight in the face and he said, "By their huge straddles, straddling between months and straddling between markets." And now they are straddling between delivery points.

Now, what is happening? Just as soon as these manipulators found out what Congress was going to do or was not going to do, they felt free to begin their operations, and in the last 10 days, with cottonseed still in the ground, the seed hardly sprouted, with bad weather all over the Cotton Belt, and with nearly 1,000,000 bales less of cotton on hand than we had a year ago, they have whipped the market down \$10 a bale, or approximately \$140,000,000 for the entire crop. We have lost more already than we would have got out of the bill you passed last week if you had given us every dollar that you proposed to loan us under the bill.

Mr. STEVENSON. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. STEVENSON. Will the gentleman incorporate this in that sentence, that the report was that 800,000 acres of cotton were destroyed in the last five days in South Carolina alone, and yet the market is now down \$1.50 a bale?

Mr. RANKIN. Oh, yes. Many of the lowlands are now overflowed and we have boll-weevil conditions in the South. Back in the nineties we could plant cotton as late as June and make a crop, but you can not do it now. You must plant your cotton early enough to get ahead of the boll weevil. They had as well plow up those overflowed lands and plant them in corn or not plant them at all, for if they plant them in cotton after the floods have subsided the boll weevil will get what little cotton they make.

This distressing appeal is coming to me from all over the South. One man says to me, "My father was a cotton merchant. I have been in it all my life, but I have now retired, because you can not afford to buy a bale of cotton for you do not know what they are going to do the next day." Since I have been in Congress you men from the West asked us to give you some protection in the wheat market, and we did it; not as much as you deserve, but we gave you what you asked for; and I appeal to you now and I appeal to the members of the Committee on Agriculture to take this proposition up and help us pass legislation at this session of Congress that will protect our cotton growers and not permit them to be robbed and plundered of the small profits they would ordinarily make by those men who "toil not, neither do they spin" but who straddle and manipulate the cotton market for their own private gain. [Applause.]

A TARIFF ON OIL

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to extend my remarks by printing in the RECORD a statement from Mr. Cromwell on the oil situation.

The SPEAKER pro tempore (Mr. BACON). The gentleman from Oklahoma asks unanimous consent to print in the RECORD a statement by Mr. Cromwell on the oil situation. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I wish to call attention to an article from Mr. Joe Cromwell on tariff for oil.

The article is as follows:

(A tariff on foreign oil, marketing under unobstructed supply and demand laws, and cooperative drilling programs. These are the remedies for the ills of the oil industry at this time, as outlined by Joe I. Cromwell, president of the Cromwell-Franklin Oil Co. and pioneer wildcatter in Oklahoma.)

By Joe I. Cromwell

In view of what has happened over a period of two years, mid-continent oil producers are forced to unite in some relief plan to protect their operations against outside international conditions. The problem is: What plan will protect us and be correlative to the American oil producers' individual interests?

AIR-LIFT METHOD MAIN CAUSE OF OVERPRODUCTION OF OIL

Major operators are responsible for the air-lift method of artificial production. In 1927 all producers of oil in Oklahoma were called upon by major operators and refining companies to kill the Marland gas ratio conservation bill before the legislature. We responded, with the result that the enactment of this bill was defeated.

In less than 90 days, to our chagrin, we were publicly embarrassed by the same major operators cutting crude-oil prices in half, and installing the air-lift method of artificial production in the Seminole field. Only one individual operator, Bob Garland, was included in this development. No wildcatting, pool-opener operator was guilty.

Why not have Federal and State laws to prevent artificial flowing of oil wells by the air-lift process which floods the market by recovering oil from several pools in three years that should take eight years to recover by natural flow? Why not let this method be used only under State permits when the oil can not be recovered by any other means the same as vacuum pumps were used only as a last engineering method, under State permits? Here is a place to use some police power. Promiscuous use of air-lift methods robs the producer, royalty owner, and the State by cheapening the price of crude oil. The State-permit method would give some price relief, because the same oil produced over a period of eight years would average \$2 to \$2.50 a barrel; whereas, if produced in a short period of three years it would have to sell for \$1 a barrel, because overproduced. Flush oil pools can not be shut in without damage, but if flowed natural no overproduction will result.

It is unfair and erroneous to place all the burden of the present depression in the oil business upon the producing end of oil operations.

A few years back individual wildcat operators opened the Healdton oil pool. Claims were made that an excess of sulphur made the oil undesirable, but as soon as Standard Oil group owners purchased the pool they sought to install vacuum pumps, but the State law prevented, and nothing has been heard of too much sulphur since. At that time much of the sulphur claims were thought to be propaganda.

Importation of 80,000,000 barrels of 16 to 18 gravity crude oil from South America and Mexico, produced by cheap labor and moved by cheap water transportation, then sold at a price of 70 cents a barrel, free of tariff duty, under our expensive operation of Government, is the other cause of overproduction that takes away the profit and prosperity of individual producers of domestic crude oil. Also, at present, we are in full competition with the English Government, that ranks as a major company offender under present conditions, which is represented here in the Shell Petroleum Corporation and its subsidiaries.

There would be no domestic overproduction when relieved of these two causes.

NOT ONLY REMEDY

Individual producers on companies other than the Standard-owned group, especially of the mid-continent fields, believe it unfair and unjust to place the full burden of solving the overproduction problem upon the limiting of production, for it is not sufficient to give adequate price relief.

For two years a Federal oil committee of nine, of which committee the mid-continent district is represented by Hon. James A. Veazey, has sought to limit domestic oil production. It has been done in a diplomatic and friendly way. Many brilliant and scholarly speeches by these high-type gentlemen have been made, to convince the public and our domestic oil producers that the limiting of domestic oil production will solve all of our oil problems.

In many speeches the apprehensive position was taken that our Federal Government would enforce penal regulations if we do not stringently limit the oil production in the mid-continent area, no matter what other remedy was sought to relieve the situation.

Why should we fear our Federal or State Government to do justice and equity to protect the industrial, civil, property rights of its wealth-producing citizens? Instead let us expect our governments to do some constructive thing to help the domestic oil producers remove the main causes of overproduction of oil, and at the same time help us solve the other problems that restrict our common rights.

After two years, a draft of model legislation is offered as the solution of the oil-producing problem, which does nothing but limit domestic oil production. I have read the model bill and am surprised that the American Bar Association members did not know any better than that.

Oklahoma lawyers do know better than to try to pass such a law. They should be ashamed to impose it on the individual Oklahoma producers if for no other reason than that they have been employed by, or lived off, us for over 20 years. The terms of the law sanctioned confines itself to the limiting of domestic production, when that is only a minor part of our illness. It does not solve any one of the three major questions necessary to give us proper relief.

It would be as reasonable for me to attempt to organize all royalty corporations, individual landowners, and speculators to require all operators to pay a fixed royalty of one-fifth or one-sixth royalty, like the United States Government requires for Osage Indians, in order to get price relief for them; as it is for those lawyers to attempt to impose

the law they formulated. Yet South American Republic landowners are now taking this means of protection, because the prices of their royalty oil was reduced from \$1.25 a barrel to 70 cents. An oil lease under our American system requires a rental be paid or a well drilled. If an oil lease is very valuable, it must be drilled or repurchased. Our landowners have a right to protection in this respect.

If we limit our production, we should get better prices. A market change should go with every drilling program, and domestic producers are willing for a reasonable program for drilling oil wells and a strict program for conservation of natural gas to be applied along with other remedies. If drilling is to be regulated by Federal or State laws, then to balance orderly operations a marketing system should be regulated by Federal laws, likewise a tariff by the Federal Government, to relieve taxation and low prices.

ANTITRUST LAW INVOLVED

The main purpose for this State legislation to limit domestic production, in mid-continent States, appears to be to commit all operators and landowners to its united restrictive terms and when so approved and made State law, it would then be necessary to ask Congress to so modify or repeal the Sherman antitrust law to remove the legal conflict between the two operating laws. This should never be done as this law now protects the most individual citizens of any law in existence.

TARIFF A PRICE RELIEF

Besides the two means discussed to provide relief from overproduction of domestic oil, the Federal Government should fix a reasonable tariff on the importing of crude oils and their products from foreign countries. We have the same reason for fixing a tariff on foreign low-grade crude oil and its products from South America and Mexico, produced from shallow depth by cheap labor, conveyed to our shores by cheap water transportation, to protect the prices on mid-continent high-grade oil produced from deep wells by highly paid American labor as the farmer, manufacturer, or other industrial producer has to expect tariff lists to protect his products.

In addition to the price relief for our domestic producers, a reasonable tariff on oils would be a good source of revenue to our Government. It would reduce our income taxes. The public knows domestic oil producers are very heavily taxed in mid-continent States for support of State, county, township, and city governments besides the national income tax. There is no good reason why this 80,000,000 barrels of imported oil should not stand its share of Government expense.

It is argued with great emphasis that if tariff is imposed then refineries will be erected in South America and Mexico. This is a bugaboo. There will be no refineries built in Mexico under present conditions there, and while the argument is being circulated the Standard Oil of New Jersey is building a 100,000-barrel refinery on an island off the coast of Venezuela, and the Shell is building a larger one there also. Let them operate these huge refineries in South America solely on the low-grade oil there. It won't supply the world's market for our superior oils. A tariff would give us a price relief, besides keep our present home refineries and labor busy with added profit.

It is obvious why Mr. E. B. Reeser opposes a tariff and advocates limiting domestic production in mid-continent States with a large production in California and South America, but may he be advised that American oil producers have not joined a "league of nations," especially in the mid-continent States. The individual citizens of each State should be protected in developing the natural resources of their properties, and the State without regard to conditions in foreign countries in times of peace as well as in times of war. Oklahoma citizens desire this protection.

The Hoover-Curtis administration is virtually committed to place a tariff on oil instead of shutting down our wells. On September 27, 1928, Senator Charles Curtis, then candidate for Vice President, advocated this tariff in the following quotation from his speech:

"Our Democratic friends favor a competitive tariff. That will not help a single farmer in this country, not a workingman in this country, not a single oil producer, not a manufacturer of goods. The Republicans are opposed to a competitive tariff and favor a protective tariff."

"In the last two revenue tariff bills I proposed a duty on oil. You, in Oklahoma, I see, have requested the limitation of oil production. I took a market report and found that last year we imported 77,000,000 barrels of oil into this country. I suggest that we shut out those 77,000,000 barrels and you would not have to shut down production here."

Oil producers in the four States of Kansas, New Mexico, Oklahoma, and Texas voted nearly unanimously for these gentlemen upon this pronouncement, and their many Democratic friends voted with them as shown by results in the Democratic States of Oklahoma and Texas. Now, if a Republican Congress fails to provide a reasonable tariff on foreign oil it would be a repudiation of the promise of our new administration to the many oil-producing States.

REGULATED MARKETING SYSTEM

Price relief must be considered in relation to the way oils are marketed. Both from printed and oral propaganda, conditions are not manipulated in one place or district against another in order that

market prices of crude oil and refined products can be controlled separate from a natural price that would be produced solely from the laws of supply and demand. This condition gives the power to major refineries with long pipe lines, to wield the age-old club of threat, to cut the price of crude oil to cure all ills. It recalls the recent old threat the New York money bankers formerly applied, "Do as we say or we will make a money panic." This threat was removed by establishing the Federal banking system.

Nearly two years ago A. W. Mellon advised, "Let the law of supply and demand operate unobstructed and the price of crude oil to producers and the price of refined products to consumers would regulate itself." I affirmed his belief, if or when supplemented by a tariff on cheap foreign oil.

Why not our Federal Government do some constructive cooperating to help the domestic oil producers remove the club of threat of price cutting constantly over us, while the State governments limit production? If the law of supply and demand was operating normally prices would not automatically change with all buyers of crude oil at one time and sellers of refined products in every district of the United States. This is price control, gentlemen, separate from the law of supply and demand.

We believe the representatives in Congress from oil-producing States have intelligence to see and know such a condition exists. The problem is, What will be done to remedy it?

In order to give price relief a regulated marketing system is necessary, either by agreement with the pipe lines or under cooperation of the Federal Government, to enable oil producers to use a cooperative marketing of their products like farmers and fruit growers use with railroads and sugar-beet farmers do with sugar refineries.

With all these problems reconciled it would be a sorry day for everybody to remove friendly competition from among individual American oil producers. I sustain no hostility toward any group of persons or persons owning companies engaged in the oil business, but I do believe individual domestic protection of American citizens is most desired of anything, for we all know it is a difficult business to obtain profitable results from producing oil under orderly conditions.

A tariff on foreign oil.

Marketing under unobstructed supply and demand laws.

Cooperative drilling programs.

These constructive remedies are imperative to get price relief and limit the supply of crude oil to current demand for a period of time worth while.

EXTENSION OF REMARKS

Mr. MANLOVE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting a memorial address on the life of THOMAS L. RUBEY and a like memorial on the life of CHARLES L. FAUST.

The SPEAKER pro tempore. Has the gentleman consulted with the gentleman from Idaho [Mr. FRENCH]?

Mr. MANLOVE. Yes; and this is perfectly satisfactory to him.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to extend his remarks in the Record by printing two memorial addresses. Is there objection?

There was no objection.

THOMAS L. RUBEY

Mr. MANLOVE. Mr. Speaker, at the direction of the Missouri Society of Washington, D. C., I had the honor, as president thereof, to name two distinguished Members of this body, Hon. W. L. NELSON and Hon. J. L. MILLIGAN, and a former Member, Hon. C. C. DICKINSON, as a committee whose purpose it should be to draft a resolution expressing the love and respect which the members of the society held for their late member, Hon. THOMAS L. RUBEY.

I can think of no manner in which I can pay a higher tribute of respect to my departed colleague and friend, Hon. THOMAS L. RUBEY, a "courageous yet kindly statesman," than by quoting the resolution presented by this committee and unanimously adopted by the Missouri Society.

HON. THOMAS LEWIS RUBEY

Whereas death has removed Hon. THOMAS LEWIS RUBEY, long an honored member of the Missouri Society of Washington, it seems fitting that we pause and consider the career of this illustrious Missourian, whose death occurred at the family home in Lebanon, Mo., on November 2, 1928, following a long illness.

THOMAS L. RUBEY, who was in sixty-sixth year at the time of his death, was born at Lebanon, Mo., where most of his life was spent and where he was greatly beloved. While attending the University of Missouri, of which he was an honored graduate, he met Miss Fannie J. Horner, who became his wife and who remained his sweetheart. Mr. RUBEY was for five years superintendent of schools in his home city, and was for several years a member of the faculty of the Missouri School of Mines of the University of Missouri. Entering public life, he served in both branches of the Missouri General Assembly, and while

in the State senate was president pro tempore of that body, and was Lieutenant Governor of Missouri from 1903 to 1905. First elected to the Sixty-second Congress, he was serving his eighth term at the time of his death, and had been nominated, without opposition, for another term, but was forced by ill health to resign as a candidate. As a member of the Committee on Agriculture in the House, Mr. RUBEY was especially active and helpful. As a public official, wherever he served, he did so unselfishly and ably and with broad sympathy and understanding. His career and that of Richard Parks Bland, who was also a citizen of Lebanon, Mo., brought deserved fame and honor to the Ozarks.

Following funeral services conducted by the Masonic order, in which Representative RUBEY was prominent, the body of this Missourian, who, forgetting not his Nation, had yet ever put home and friends first, this man who was courageous yet kindly, companionable, and lovable to the greatest degree, was laid to rest. It was the autumn time; trees on a hundred hills were gold and crimson and brown, and as the day died the purpling haze suggested peace and home. One who had long lived among and loved, with understanding heart, these things, had gone to the Father's house: Therefore, be it

Resolved, That, recognizing the worth of THOMAS L. RUBEY and being conscious of its great loss, the Missouri Society of Washington orders these resolutions spread upon its records and a copy sent to Mrs. RubeY, the faithful helpmeet to whom sympathy is extended.

C. C. DICKINSON,

W. L. NELSON,

J. L. MILLIGAN,

For the Missouri Society.

CHARLES L. FAUST

Mr. MANLOVE. Mr. Speaker, my friend, CHARLES L. FAUST, is gone. I can not believe it; yet I know it is true. I can not account for it. The Grim Reaper is no respecter of persons.

Those who knew CHARLES L. FAUST in the grace of his physical perfection, with his alert, yet calm, mental attainments, could well have believed that he was assured the fortune of a long and uninterrupted life. He has answered his last roll call in this House. Never again will his charming presence, his happy smile, or his warm handclasp bring cheer to those who knew him and loved him.

His passing brings us to a more stern realization of the fact that "no man knoweth the hour."

Leaves have their time to fall,

And flowers to wither at the north wind's breath,

And stars to set, but all—

Thou hast all seasons for thine own, O Death!

We know when moons shall wane,

When summer birds from far shall cross the sea,

When autumn's hues tinge the ripening grain—

But who shall tell us when to look for thee?

Others will speak as the years go by of the unfaltering logic and statecraft which was his; and well they may praise him as a talented and learned lawmaker, yet I love to think of him only as my friend.

Well may we pay tribute to those sterling qualities of his nature which sealed unto him, as friends, all of those with whom he came in contact.

Possessed of a courtesy unexcelled, he seemed to radiate a warmth of comradeship which drew his fellow man into his confidence and held him there. Those who knew him best could well believe that he carried in his generous heart the spirit so truly expressed by the poet:

I wrote my name upon the sand,

And trusted it would stand for aye;

But soon, alas, the reflux sea

Had washed my feeble lines away.

I carved my name upon the wood,

And after years returned again,

I missed the shadow of the tree

That stretched of old upon the plain.

The solid marble next, my name

I gave, as a perpetual trust;

An earthquake rent it to its base,

And now it lies o'erlaid with dust.

All these had failed; I was perplexed;

I turned and asked myself, What then?

If I would have my name endure,

I'll write it on the hearts of men.

CHARLEY FAUST is gone, but he wrote his name on the hearts of men and we take consolation in the thought that, "Tis not death to live in hearts we leave behind."

PERMISSION TO ADDRESS THE HOUSE

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent that after the gentleman from Georgia [Mr. LANKFORD] addresses the House I may proceed for 10 minutes.

The SPEAKER pro tempore. The gentleman from New York asks unanimous consent that he may proceed for 10 minutes after the address of the gentleman from Georgia. Is there objection?

There was no objection.

Mr. BOWMAN. Mr. Speaker, Sunday is Mothers' Day. The founder of this movement was a West Virginian. I ask unanimous consent that on Saturday, after the reading of the Journal and the transaction of business on the Speaker's desk, I may be permitted to address the House for 20 minutes.

The SPEAKER pro tempore. The gentleman from West Virginia asks unanimous consent that on next Saturday, following the reading of the Journal and disposition of business on the Speaker's table, he may be permitted to address the House for 20 minutes. Is there objection?

There was no objection.

FARM ECONOMIC EQUALITY

The SPEAKER pro tempore. Under the previous order of the House, the gentleman from Georgia, Mr. LANKFORD, is recognized for 45 minutes.

Mr. LANKFORD of Georgia. Mr. Speaker, ladies, and gentlemen of the House, the Evening Star, of this city, on the 28th of last month carried a very interesting and logical article from the pen of Mark Sullivan on the subject of farm economic equality.

This wonderful writer says that the phrase "farm economic equality" has two widely divergent meanings, which he ably discusses. I shall quote most of his article and wish to emphasize the many great truths so fully set forth, and at the same time respectfully insist that he failed to mention the most important meaning of the phrase "farm economic equality." In fact, I insist with all my being that "farm economic equality" has but one meaning, and that is as definite as the equality between two and two.

There is but one meaning which is at all acceptable to me, and yet I know that this phrase, like the phrase "farm relief," is susceptible to almost as many meanings as there are interested individuals.

Except as just indicated, I am in fullest accord with the first part of Mr. Sullivan's article, which is as follows:

The purpose of farm relief is defined everywhere and always in one phrase. That phrase is "to give the farmer economic equality with other industries." That phrase, or equivalents of it, appear in both party platforms, in the bill itself, and in literally thousands of speeches, books, and newspaper articles. That definition of the purpose of farm relief is accepted by both sides and by all the arguers. From that point everybody starts. It is about the only detail as to which there is universal agreement.

Yet the fact is, that is the most disputable proposition in the whole discussion. It is disputable because it has two possible meanings. The meanings are almost as distant from each other as the poles of the earth. If you start with one meaning you go north, with the other you go south. As a pious platitude "economic parity with other industries" is a universal solvent of trouble. As a subject for interpretation it calls for the most muscular brain work that any farmer is capable of, or any Senator or college president, or any of the others who are writing books and magazine articles and addressing audiences.

Does that phrase mean—

(a) That all individual farmers now remaining on the soil shall be as individually prosperous as automobile mechanics, steel workers, and other workers in other industries?

Or does the phrase mean—

(b) That agriculture as a whole, agriculture as an industry, shall be as other American industries are: Namely, growing industries, expanding industries in which from year to year there is increase of output, increase in the number of workers, increase in the value of the plants—like the steel business and the automobile business?

Neither of the definitions is good. They fall far short of what the farmers have a right to feel were promised them by those pledging them "economic parity with other industries." Let us examine definition (a) just a little. This definition deals with all farmers as laborers only, and not as producers and salesmen. It recognizes the farmer as the one to do the hard part of producing, by sweat and effort, that which some one else is to bargain, sell, and use as his own. The definition overlooks the fact that the farmer is the owner of the plant and the employer and the salesman of his commodity when it is ready for market. The laborer on the farm, whether hired, owner, or family of owner, under the phrase "economic equality with other industries, should be as individually prosperous as auto-

mobile mechanics, steel workers, and other workers in other industries," as the result of their labor without reference to their status as owners of the farm and of the commodity produced by the labor on the particular farm.

"Economic equality with other industries" means equality not only as a laborer but also as owner of plant, investor of capital, salesman of his farm-grown products, and owner of the profits of his business.

Definition (b) is even more faulty than (a). For agriculture to be a growing industry would not put agriculture on a parity with other growing industries any more than a growing slave would be on a parity with his master who happened to be getting fatter. Slavery in this country was on the increase for years, and yet those bound with chains and under the task-master's lash were not on an equality with freemen, although freemen were also on the increase.

Equality of growth does not mean equality in all other respects, whether financial, economic, or otherwise. Practically ever since the beginning of our Government there has been an increase in the output, numbers of workers, and value of farm plant, yet the farmer has never been on a "parity with other industries" within the true meaning of the phrase. A little later I purpose attempting to put in my own words a definition of this phrase as I understand it.

Although Mr. Sullivan's two definitions fall far short of the real meaning of the phrase, it is interesting to note that he points out that the House bill will probably not raise the farmer to either of the planes mentioned by him. I find the House bill as defective as pointed out by him and fear the bill will not only be a great disappointment to the farmers but may jeopardize some rights they even now enjoy.

In this connection let me quote further from Mr. Sullivan's article:

It is fair to say that two-thirds of the discussion in Congress confuses these two definitions. The same speaker, in the same breath, passes from one definition to the other.

If the meaning of that phrase is meaning (a)—that is, greater prosperity for individual farmers—then the present farm relief bill in the lower house of Congress may do the work. The bill has the potentiality of making individual farmers now on the farms as prosperous as analogous workers and owners in city industries.

Mr. Sullivan says the House bill has the potentiality of assisting the individual farmer. This is true, and yet I fear much of this potentiality will be used against the farmer rather than for him. The bill is not as efficient farm relief as the farmer is entitled to, even if eventually it proves to be of slight help to individual farmers. It will probably help some and hurt others, and on the whole little or no real help will result to the farming industry.

Let me read further from Mr. Sullivan's article:

But if the meaning of that phrase is meaning (b)—that agriculture shall be a growing industry—in that event the present program in Congress will not do the work. The old program of an "equalization fee" would not do it. Probably no alternative program now being generally discussed will do it.

I quite agree that the House bill will not help the farmer so as to cause his industry to grow and I further believe that practically none of the other plans, such as the "equalization-fee" idea or the debenture plan, can or will be of much lasting help to the farmer. I believe the farm problem can be solved, but not by the plans just mentioned, although there is some merit in all these schemes.

We must decide what the phrase "equality with other industries" means, determine how it can be attained for the farmer, and then help him secure for himself the desired goal.

Let me read further from the newspaper article, as follows:

As a first step in clarification, let us concentrate for the moment on definition (b), which assumes that farming as an industry and as a whole is to be given "economic equality" with other industries; that is, that agriculture shall become a growing, expanding industry, as other industries are.

NOT GROWING INDUSTRY

Agriculture in America is not now a growing industry. On the contrary, it is and has been for nearly a generation a declining industry. There are fewer persons on the farms to-day than there were 20 years ago, in 1909. To give the figures for a few comparatively recent years, the number of persons living on farms has gone down thus:

1920	31,614,269
1925	28,981,688
1927	27,892,000
1928	27,699,000

One can picture the same condition, the decline in agriculture, in another way. One can say that in the eighties farmers were 50 per cent of the total population, had a 50 per cent part in the national life,

had 50 per cent of the political power. By 1920 the farmers were less than 30 per cent of the population, had less than a 30 per cent part in the national life, less than 30 per cent of the political power.

This condition, that agriculture as an industry is not growing but declining, is an accepted fact. It is repeated here only for its aid in clarification.

WILL HE BE SATISFIED?

Does the individual farmer care whether his industry is a growing one or not? If he himself, as an individual farmer, is made individually more prosperous—will he be satisfied with a farm relief which brings that about? And does he care whether there are more farmers or not, whether agriculture is a growing industry or not?

If the farmer will be satisfied to be made individually more prosperous, then he will probably be pleased with the present legislation in Congress, for that has a reasonable chance to achieve the result.

Mr. Sullivan says the present bill has a reasonable chance to lift the farmer to one of the levels designated by the article as on a parity with "other industries." To my mind these levels are far below the economic plane occupied by other industries. Then there is only a slight possibility of the farmer getting even this help. He may even lose more than he gains.

The benefits for the farmer under the present House bill (No. 1) are—

as two grains of wheat hid in 2 bushels of chaff; you shall seek all day ere you find them; and when you have them, they are not worth the search.

I further read as follows:

But if the farmer insists that his industry shall be a growing one, then the pending legislation will not do the work, and no variation of farm relief now in sight will do the work. The proposal of the old McNary-Haugenites, including their "equalization fee," would not make things a growing industry—though the old McNary-Haugenites sincerely thought it would.

The McNary-Haugenites knew—and were right in this—that agriculture can only be a growing industry by being an exporting industry. They knew that if agriculture is to grow, it must sell a surplus abroad—"exportable surplus" was a phrase running through all their speeches and literature. They knew, however, that such surplus sold abroad must be sold at a loss. And so they devised an ingenious mechanism, the "equalization fee," by which the losses abroad should be assessed against all of us here at home, and particularly against the farmer himself.

The equalization fee would not have worked. No system will work by which farmers sell abroad at a loss. The country would not go on with it. The farmers themselves would not go on with it.

Mr. Sullivan is absolutely right about this. No farm relief plan which does not solve the surplus problem is worthy of the name of farm relief. The present House bill is a failure because it falls short in this particular. Some plan must make the surplus an asset rather than a burden, or eliminate the unnecessary surplus before the advent of real farm relief. No scheme for dumping the surplus abroad at a loss to the farmer, as provided in the old equalization-fee scheme, will be sufficient; neither is there real farm relief in a scheme to dump at a loss to the Government, as provided in the export-debenture plan.

There is much less farm relief and some real farm destruction in the plan of present House bill to buy up and hold the surplus and thus build up an awful menace to the domestic market. This menace, if fostered, is sure to become a curse to agriculture in the immediate future. What shall we do with the surplus of agricultural commodities? President Hoover called Congress together to answer, for the farmers, this biggest of all farm problems, and yet Congress is dodging the issue and leaving the farmer's problem unsolved.

Mr. LARSEN. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield to the gentleman from Georgia.

Mr. LARSEN. Does the gentleman believe that if the farmer were receiving an adequate price for what he produces at this time and we could induce people not to import farm commodities into this country which come into direct competition with the articles produced by our farmers that there would really be any overproduction problem?

Mr. LANKFORD of Georgia. I do not think there would be any overproduction or overproduction problem under such circumstances; in fact, I do not believe there is ever a real surplus that should be a menace. The thing we must do is to work out some scheme to control what I call the alleged surplus.

Mr. LARSEN. The gentleman realizes that there is a great deal of underconsumption of both as to food and cloth products?

Mr. LANKFORD of Georgia. There is a great deal of underconsumption, but as long as there are naked backs and hungry

mouths there is no real surplus of foodstuffs or cotton or wool.

Mr. LARSEN. And this underconsumption is brought about by reason of the fact that the farmers are unable to purchase what they really require for their own consumption.

Mr. LANKFORD of Georgia. They are unable to purchase all they need for consumption with the money they get out of the products which they produce. They do not get a square deal. They do not get a fair price for their farm products.

Mr. LARSEN. And, of course, that is the only money the farmer has.

Mr. LANKFORD of Georgia. The farmer as a rule has no money except what he makes on the farm. Of course, what the farmer really needs is mass control of sales. He needs bargaining power, and whether there is a surplus or not, there is what may be termed an alleged surplus, especially when a crop is first placed on the market, which is used by the profiteers, the speculators, and the gamblers to depress unduly the price of such farm commodities.

Mr. LARSEN. Has the gentleman considered the advisability of cheapening farm production by operation of Muscle Shoals or any other system that would give him cheaper fertilizer or enable him to produce at less cost?

Mr. LANKFORD of Georgia. I have given most serious consideration to this problem. That would go a long way toward solving the farmer's problem. It would be of tremendous help to him.

Mr. LARSEN. It would put more money into his pocket, would it not?

Mr. LANKFORD of Georgia. Certainly, it would, and that is what the farmer wants and what he is justly entitled to.

Mr. LARSEN. And would, therefore, give him greater purchasing power.

Mr. LANKFORD of Georgia. The farmer wants a better price for what he produces.

Mr. LARSEN. And would also enable him to consume more and pay his debts.

Mr. LANKFORD of Georgia. There is no doubt about it. My idea is that the operation of Muscle Shoals under proper methods would bring cheaper fertilizer to the farmer and would go a long way toward solving the farmer's problem, and yet I am arguing that while all these things help the farmer, they will never put the farmer on a parity with other industries until the farmer, like other industries, can name, within reasonable limits, the price of the commodity which he sells. This surplus, or alleged surplus, must be controlled and managed in some way, and I have the idea—in fact, I know—that President Hoover called this Congress together to solve that one problem, and that is the one problem that this House has not attempted to solve by the bill which has been brought out by the House committee and put on its passage here and passed without an amendment being allowed except committee amendments.

Mr. GLOVER. Will the gentleman yield for a question?

Mr. LANKFORD of Georgia. I will be pleased to yield to the gentleman.

Mr. GLOVER. The gentleman said a moment ago that if we had proper distribution of the things grown on the farm and if the hungry were properly fed and the people were properly clothed there would likely be no surplus.

Mr. LANKFORD of Georgia. That is true.

Mr. GLOVER. I will ask the gentleman if it is not true that the Interstate Commerce Commission that has fixed the interstate commerce rate on all commodities out of one State into another has fixed the rate so high under the existing law, with a heavy penalty for violation, that this practically prevents the distribution of these commodities to those that are hungry and ought to be fed and to those that need to be clothed.

Mr. LANKFORD of Georgia. I thank the gentleman for that contribution. The farmers' products are and have always been distributed in the interest of the profiteer rather than in the interest of the producer.

The problem, I repeat, is what shall we do with the surplus? Shall we lessen it by curtailment of production? Can production be effectively controlled? Should it be curtailed or increased at will of the farmers? Should the surplus be dumped abroad at a loss? Should it be held here as a menace to the domestic market? These are questions for Congress, yet Congress is derelict in its duty to the farmer and is absolutely failing to give reasonable consideration to these burning farm-relief issues. Some say there is no real surplus. This may be true and yet we all know there is an alleged surplus which, when not properly handled, unduly depresses the price of farm products. What shall we do with it? Like Banquo's ghost, it will not go down. Once it is produced, it effects the market. If bought up by a stabilization corporation, the sur-

plus will still be in existence; if sold abroad at a loss, the farmer pays the loss and yet it supplies part of the world needs and drives prices down. If the surplus is held here, it is expensive until sold and then goes into the channels of commerce and drives prices down. If it is held over until next year and there is another surplus, the problem becomes greater until there is a short crop and then the accumulated surplus will fall back on the market, crush it and hold prices down, thus depriving the farmer of the good prices he would otherwise enjoy during the period of otherwise real demand for his newly produced commodity.

Let us read more of Mr. Sullivan's article. I agree in toto with much he says and am perpetuating in the RECORD the good things he said and pointing out some of the conclusions which I feel are erroneous. I further read as follows:

But—and here is the root of the matter—why is it that agriculture can not successfully have an exportable surplus, while other industries can?

Why is it that the steel industry can sell abroad and by so doing prosper greatly? Why is it that, as respects every industry except agriculture—the bigger the exportable surplus the better? Why do we all cheer the automobile manufacturers and the steelmakers on to sell more and more abroad—whereas, we tell the farmer that his exportable surplus is a burden and a mistake? Why is it that the farmer's exportable surplus must be recognized as meaning a loss, while every other industry's exportable surplus is recognized as a benefit?

To put it very tersely, what is this queer distinction which marks off farming from other industries, as respects the exportable surplus? Why is it that every other industry can sell abroad and "get away with it" richly, while agriculture, apparently, can not?

To answer that question is to clarify the whole situation.

The answer is—mass production (together with, in a degree, the tariff). More lengthily, the answer is that manufacturers can practice mass production, whereas farmers can not.

Mr. Speaker, the farmer does not need mass production so much as he needs mass-production control and mass-bargaining power. The mass production which Mr. Sullivan has in mind would only help lessen the cost of production. Of course this would help, but the farmer must have mass control of his bargaining power and of everything that affects that bargaining power if he is to enjoy an economic equality with other industries.

The farmer will never be on a parity with other industries while these industries name both the prices at which the farmer buys and those at which he sells. "Economic equality" for the farmer must have only one meaning, and that is that the farmer is the recipient of as great special favors at the hands of the Government as are granted to other industries, and like them be able to sell his own commodities when he pleases, where he pleases, to whom he pleases, and that he can name, within reasonable limits, the prices of his farm products. The farmer can never enjoy this equality until Congress decides he shall have it and enacts legislation enabling the farmers to control their production so as to only produce what the world needs, and then be in position to demand that the world pay a fair price to the farmer for feeding and clothing an otherwise naked and hungry world.

What shall we do with the surplus? I will answer. Enable the farmers to not produce an unnecessary surplus and then enable them to get a reasonable price for what they do produce. I have shown fully how this can be done by statements before both the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry. My plan is in the form of a bill, H. R. 78, introduced at this session.

But I wish to read another extract from Mr. Sullivan's article, as follows:

When Hudson or Studebaker has made its first 100,000 automobiles the additional cost of making the next one is relatively almost negligible. But when the farmer has plowed and harrowed and seeded and weeded his first hundred acres the additional cost of plowing and seeding the next acre is practically the same as the cost of any of the other acres.

That fundamental distinction is what makes it possible for other industries to have an exportable surplus successfully—and impossible for the farmer. After an automobile manufacturer has built his factory and set up his machinery and laid out his model and patterns and made his first 100,000 machines, thereafter he can make additional machines at a cost so low that the price he gets abroad for his "exportable surplus" is no loss to him.

But with a farmer the case is quite different. His thousandth bushel of wheat involves an additional cost to him practically as great as the cost of his first bushel or any other bushel. Whenever the farmer raises more than he can sell at home his "exportable surplus" repre-

sents so great an additional cost to produce that if he sells it abroad at all he must sell it at a loss.

This distinction, that manufacturers can practice mass production and that farmers can not, is fundamental. Grasp that, and much of the farm relief problem becomes clear.

Much of Mr. Sullivan's logic is irresistible, but he is wrong when he insists that it is impossible for the farmers to profitably produce and handle an exportable surplus. It can be done with reasonable legislation. It must be done as to cotton and tobacco or else these crops are doomed.

I quote the balance of the article on mass production, which is as follows:

One group of farm "relievers," seeing this distinction and admitting it, think there is a way out. They think the way is to have mass production on the farms. They say farming should imitate big business, should be done in big units. They would have farms of 1,000,000 acres each, with factory methods—with all the attributes of mass production. But every farmer knows that you can't have the attributes of mass production on the farm. Every farmer knows that the condition which makes mass production on farms impossible will operate on a million-acre farm as much as on a hundred-acre one. Mass production is not big production merely. "Mass production" is the recognized name for a method. That method is possible in manufacturing; in farming the method is impossible. Big farms might mean—though this is not certain—a slight reduction in the cost of raising each bushel of wheat. But the reduction would be negligible compared to the reduction that mass production effects in manufacturing. The farm relievers who propose mass production on farms are not themselves farmers.

Anyhow, America doesn't want million-acre farms, run under factory conditions. That would mean that the individual farmer, now independent, would become a hired man.

I quite agree with Mr. Sullivan, "America does not want million-acre farms run under factory conditions," and yet I fear we are coming to this or a worse condition in the absence of some real farm-relief legislation.

I read further:

The farm-relief plan now pending in the lower House of Congress can and may make the individual farmer more prosperous. But it can not make agriculture a growing, expanding industry in the sense that steel and automobiles are growing industries. It can not enable agriculture to have an exportable surplus and sell it to advantage.

Under every plan of farm relief now generally discussed American agriculture will ultimately, and soon, be restricted to the home American market. (What is said here applies to ordinary crops; there are exceptions, recognized by everybody, in which the conditions are fundamentally different, such as cotton.)

His exception as to cotton is correct, and yet the very fact that we do and must produce a surplus or quit makes farm relief legislation of the right type all the more necessary for the cotton grower and the Nation.

With proper legislation the producers of all basic farm commodities should have a profitable world market. There can certainly be no economic equality with other industries if the farmer is restricted to the domestic market while other industries sell throughout the world.

I read further as follows:

As the caterer to the American market and given a monopoly of the American market by the tariff—under these conditions the American farmer as an individual can do very well. But agriculture as an industry can not become a growing, expanding industry in the sense that steel and automobiles are growing industries. Only those industries can grow which export, which have the whole world as their potential market.

I must make a clear-cut issue with the statement that "agriculture as an industry can not become a growing, expanding industry, in the sense that steel and automobiles are growing." I agree that only those industries can grow which have the whole world as their potential market. The farmer, though, has the whole world as his potential market and with proper legislation he can enjoy his market, both domestic and foreign, can grow and expand like other industries, and can enjoy an economic equality with them. There can be no economic equality for the farmer unless he has the same world market, the same bargaining power, and the same special privileges accorded others.

I read again, as follows:

This fact, that the farm relief now contemplated will not make agriculture a growing industry, is disagreeable to many farm spokesmen in Congress. They do not like to admit it. But the fact is that the present major program of farm relief looks to having as many, and no more, farmers in America as will feed our own population. America, in

short, is on the way toward becoming a great manufacturing Nation, a great exporter of manufactured goods, with only so much agriculture as will, so to speak, do the gardening for our own people.

I regret very much that the statement that I have just read contains an awful truth. It is a sad but true picture. The so-called farm bill, just passed by the House, is a death warrant for agriculture as a great world industry. It means to restrict the farmer rather than enlarge his activities. The bill has a noble declaration of policy by which is sought the concealment of the real purposes of the sponsors of the bill. The bill provides much more machinery for lowering farm prices than are provided for elevating them. It restricts the activities of the farmer and threatens to withdraw all alleged aid if the farmer even appears happy over any proffered help. If he even whistles to keep up courage, he better be careful lest some one thinks he is about to increase his acreage.

There can be no effective farm relief without effective control of production and marketing, but the plan set up in this bill is worse than foolish; it is criminal. The bill seeks to do some things that are already being done; some things that ought never be done; and little else. I am sorely disappointed over the House bill and am hoping and praying that Congress will yet solve the farm problem before it is finally too late.

Now, let me read the rest of Mr. Sullivan's article:

But suppose some one insists on definition (b), that agriculture as a whole shall be a growing industry. Suppose the farm leaders say, "We demand legislation that will restore agriculture to the position it once had; we demand that America shall again be a great agricultural country; that the farmers shall again be 50 per cent of the population, have a 50 per cent share in the national life, have 50 per cent of political power."

If legislation to that effect be demanded, how should we go about it?

The answer is almost like the answer to a request for the unscrambling of an omelet. Or it is like trying to turn the clock back 50 years.

For one step we should have to abandon our protective tariff on manufactures. That, at this stage, would be pretty revolutionary.

One can state the situation in a few sentences:

In America, for over 50 years, more and more manufacturing has been done. What is it that has stimulated manufacturing in America? Answer, the protective tariff. If we want to reverse the process, what step should be taken? Answer, get rid of the protective tariff on manufactures.

But is the country generally—is the farmer himself—willing to contemplate that step? It might, after a period of economic dislocation, cause agriculture to grow as an industry. But the intervening period—the immediate consequence—would be pretty painful to everybody, including the farmer.

I do not believe all the farmers' ills are attributable to the national tariff policy. I know there have been and now are many discriminations against the farming class. I have no expectation that the present tariff policy will be abandoned. I only hope for such revisions as will give the farmer the greatest possible protection under the system, and where the tariff fails to protect the farmer it is our duty as conscientious law makers to give the equivalent of the tariff privilege in aid by other fair means. The farmers can be and should be put on an equality with other industries. I fear Congress will not pass proper legislation for this purpose at this session. I know the House bill falls far short of this pledge of both major parties. The House bill provides for a stabilization which I fear means extermination. It certainly does not provide for growth and further development.

To my mind, the purpose of the House bill is fully manifested in one sentence in the House committee's report, as follows:

As we have shown, it is impossible for agriculture to control its production and it is against public interest that it should attempt to control it to the extent that the industry can so control.

The sponsors of House bill 1, here declare in effect that they do not believe the farmers can be placed on an "equality with other industries," and in effect declare that they do not desire such equality for the farmers. The farmers can never be on the much-promised "equality" with others until they have sufficient bargaining power to name within reasonable limits the prices of their own commodities, and they can not do this without the same control of their production and marketing as is enjoyed by other industries.

To say that it is not desirable that the farmers control their own production is another way of saying it is not desirable that they be permitted to name the prices of their commodities, subject, of course, to the same laws that affect industry. This statement in the House report is equivalent to a declaration that the farmer can not be placed on a parity with other industries,

and that it is not desirable by the sponsors of the bill that the farmer enjoy this equality.

This declaration in the House report brands anyone with such views as an enemy of farm relief, as an antagonist of a square deal for the farmer, and as a henchman for the profiteer, speculator, and farm-produce gambler. How can anyone expect "farm economic equality" to be ushered in by any bill backed with a report indicating such motives as are here expressed?

In order to arrive more fully at what the sponsors of the House bill contend is "farm economic equality" let us read further from that well-sugarcoated piece of putrification, designated as committee report on House bill 1, as follows:

Our problem, then, is the effort to keep for the farmer his independence of thought and action, yet bring him a return for his capital and labor at least sufficient to maintain the traditional farm home which knew comfort even though it lacked ease. This we believe is what the farmer means when he speaks of economic equality with industry. He neither asks nor expects equal financial rewards with the giants of industry or banking.

That is the wonderful farm relief which is to be handed to the farmer. Just think of it, ye friends of the farmer. This committee report declares solemnly that it is one of the great prerogatives of this Congress here and now "to keep for the farmer his independence of thought." Oh! if there was some way for what the farmers will think about this legislation to be heard in thunder tones by all the sponsors of the House bill. But while the farmers will be expressing in indignant terms what they think about this bill, its sponsors will be sitting in the seat of the speculator and farm parasite and will not hear the cry of distress and the walls of disappointment of those who feed and clothe them, and if they heard these agonizing moans they would only be met by the fiendish chuckle engendered by further anticipated profits and spoils.

I am glad that legislation is not necessary to secure for the farmer "independence of thought." Otherwise I very much fear he would not get even this God-given right from the sponsors of this bill. I am glad that as long as life lasts and brain functions thought is free. Bunyan in Bedford jail was free to think and to pray.

Even this bill will not let the farmer think he is being benefited. He will know that he is being robbed. He will not think a falsehood. If he should happen to think there is slight hope of some help under the bill, he will have to conceal his thoughts less some one thinks he is about to increase his production. The sponsors of this bill are strong for maintaining "the traditional farm home which knew comfort even though it lacked ease." Why should not the farm home have both comfort and ease? They are the best homes this side of heaven. The enthusiastic sponsors of the House bill evidently feel that they are making a great concession when they consent for the farmers' homes to enjoy the comforts of free air, bright sunshine, abundant rainfall, and such God-given privileges as are free to all.

"The farmer can never be placed on 'equality with other industries' until he can sell his commodities for a fair price and enjoy the 'ease' that comes from getting a fair return for the toil of himself and family. The enthusiastic supporters of the House bill by their report say the farmer 'neither asks nor expects equal financial rewards with the giants of industry or banking.' These strong supporters of this remarkable bill further say they 'believe' this 'is what the farmer means when he speaks of economic equality with industry.'"

I say here and now, measuring my words, no true friend of the farmer believes that while the farmer "neither asks nor expects equal financial rewards with the giants of industry or banking" he is at all on a parity with them. Any farmer, legislator, or other person who thinks that the farmer can be on an "economic equality with other industries" while he "neither asks nor expects equal financial rewards with them," is a fit subject for the lunatic asylum. Certainly no such man ought to be writing a farm relief bill and if he writes a bill labeled "farm relief" the friends of the farmer should fear it as they would death itself.

It is true many farmers and others do not expect the farmer ever to receive "equal financial rewards with the giants of industry or banking." It is difficult for me, myself, not to lose all hope. This very bill I am now discussing is enough to discourage the most optimistic friend of the farmer. Some say the farmer can never be put on a parity with other industries. I believe he can be given this equality and it seems so unfair and even criminal for any one to say the farmer "neither asks nor expects equal financial rewards" when he begs and pleads for "economic equality with industry."

It is an outrage of the blackest, foulest type if the promise of the Democratic and Republican Parties to put the farmers on an "economic equality with other industries" is to be swept

aside by both parties with a statement that the farmer "neither asks nor expects equal financial rewards with the giants of industry or banking," and if insult is to be added to injury by a further widening and deepening of the awful gulf which now separates agriculture and other industries. Is other industry to be further enriched and agriculture further impoverished? Is bureaucratic power to be given a further strangle hold on the throat of the farmer and his already manacled hands and feet made more helpless? Is the Government at tremendous expense to create an awful all-powerful agency not to raise prices, but to lower them; not to save the farmer from the speculator, but to speculate on the farmer; not to save a profit for the farmer, but to take it from him; and not to help the farmer name his own prices, but to dominate all farm prices in behalf of other industries and those who profiteer and live off of the farmer's very lifeblood?

It is most remarkable that such a bill as has just been passed should even be reported from the House Committee on Agriculture, with such a report as came with it. It is more remarkable that both Democrats and Republicans of the committee, with few honorable exceptions, should fight for and secure its passage without a single noncommittee amendment being allowed or seriously considered. It is furthermore beyond the comprehension of fair-minded friends of the farmer that at an extra session of Congress, called for the specific purpose of passing farm legislation, extended hearings should be held by the House Committee on Agriculture at which the profiteer, speculator, and middleman were heard most attentively and fully, and yet not a single farmer was heard in person for a single minute of time. For hours, days, and weeks this committee heard the plans of the enemies of the farmer and those who farm not, yet live off the farmer, and not a single word was heard from a farmer as to the plan of relief he desired.

In all fairness, would it not have been more honest to the farmer to hear from him just a few words at least as to the kind of legislation he desired, rather than hear almost unlimited evidence from the middlemen, profiteers, and gamblers as to the kind of a bill they would consent to be passed and labeled "farm relief"? The committee champions of the bill in effect boast because no farmers testified; because the profiteers and enemies of the farmer were heard most fully and because the committee followed fully the suggestions of the millers, manufacturers, and profiteers and wrote the bill desired by the enemies of true farm relief. [Applause.]

I read from the House committee report on H. R. 1, as follows:

We were very fortunate in the group of witnesses who accepted our invitation to present their views. They were mainly drawn from what might be called the business men of agriculture—the heads of the great cooperative marketing associations which have grown with remarkable strides in the last 10 years. To these were added the representatives of great farm organizations, editors, educators, and men from the business and manufacturing world.

These are all the committee say they heard. Not a single farmer was permitted to present his suggestions. Again I read from the committee report, as follows:

Our indebtedness to them can be best shown by the fact that the bill we are now reporting is based almost entirely upon, and is completely supported by, the record of the hearings.

The report boasts that the farm bill desired by these groups was written and reported out. The bill was and is in the interest of the middlemen and speculators. I admit the millers and manufacturers may be good men, but would it not have been fairer to the farmer if he had been permitted to suggest the plan of farm relief rather than these men who speculate at the expense of the farmer? Would not it have been better for the farmer to tell of his desires rather than all the plans come from heads of cooperatives, editors, educators, and business men, all of whom live at the expense of the farmer, and all of whom probably expect no benefit from farm legislation other than increased salaries and profits from the farmer's labor and effort? No wonder a profiteer's bill was reported. No wonder the committee, after days of evidence from those who suck the farmer's lifeblood, and without one word from the farmer, should report out such a monstrosity, backed up by a report declaring the farmer "neither asks nor expects equal financial rewards with the giants of industry or banking."

Mr. ARENTZ. Will the gentleman yield?

Mr. LANKFORD of Georgia. I will yield to my good friend from Nevada.

Mr. ARENTZ. Are these the gentleman's own ideas on farm legislation? I thought H. R. 1 was in the opinion of the gentleman from Georgia a step in the right direction. I

gather from what the gentleman says that every item of H. R. 1 is wrong. Is that true?

Mr. LANKFORD of Georgia. I am very much opposed to H. R. 1. I finally voted for it because I have faith in President Hoover that he will appoint a board which may be able to do something helpful to the farmer. My fear is that, like all other great pieces of legislation, it may fall into bad hands eventually, that it will fall into control of people who are not friends of the farmer. I voted for the bill believing that if it was found not to be workable that Mr. Hoover would be in favor of such amendments as would make it effective for farm relief. I believe that the bill now does not give the farmer what the farmer needs, is entitled to, and has been promised. I do not believe that the bill gives the farmer what the Republican platform promised nor what the Democratic platform promised.

Mr. ROBSION of Kentucky. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield.

Mr. ROBSION of Kentucky. I would like to ask the gentleman from Georgia this question: I noticed in the House the Democratic leadership lined up for H. R. 1, President Hoover's so-called plan, but in the Senate our Democratic friends have lined up for a different proposition. I would like to know which plan the gentleman from Georgia feels is the better plan for the farmer, the plan advocated by the Democrats in the House or the plans advocated by the Democrats in the Senate.

Mr. LANKFORD of Georgia. I think the plan advocated by the Democrats in the Senate is far superior to the plan advocated by the Democrats in the House.

Mr. ROBSION of Kentucky. Then why did not the gentleman vote for that plan in the House?

Mr. LANKFORD of Georgia. Because I did not get a chance to vote for it. The amendment for that plan went out on a point of order. We had no chance to vote for the debenture plan in the House.

Mr. ROBSION of Kentucky. Did the gentleman speak for the debenture plan as the gentleman from Texas [Mr. JONES] did?

Mr. LANKFORD of Georgia. No; I did not because I wanted to make other observations. I have said from time to time that I was in favor of the debenture plan. I have advocated the debenture plan heretofore in speeches on this floor and intend doing so in the future.

Mr. ROBSION of Kentucky. Is not this the plan; that our Democratic friends are trying to organize and bring to naught and obstruct the plan of President Hoover for farm relief so that you can go to the country and say that we have not accomplished what we set out for?

Mr. LANKFORD of Georgia. I do not know what the motive of others is, but I say that I myself am really opposed to the House bill and only voted for it because of my faith in President Hoover, and because I hope that it will be amended from time to time until we really have legislation firmly establishing the farmer "on a parity with other industries." I believe President Hoover is a friend of the farmer and far be it from me to do anything to embarrass him in his efforts in behalf of the agricultural class. I do feel, though, that some Members of this House, both Republicans and Democrats, should feel embarrassed because of promises that have been made by both parties and not kept by either here on this floor. We have not met to play politics or embarrass anyone. We should legislate for the farmer so as to relieve his financial embarrassment and so as to prevent us as lawmakers the embarrassment that should come from unfulfilled promises. There is no politics in this matter as I see it. I hope and pray that this administration passes and gets credit for the best farm bill ever conceived by the mind of man. I shall do all I can to help the President in his efforts in behalf of the farmer.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LANKFORD of Georgia. Mr. Speaker, I ask unanimous consent for five additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. LARSEN. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield.

Mr. LARSEN. Does not the gentleman favor that portion of the bill which provides a Federal farm board?

Mr. LANKFORD of Georgia. Yes; I am in favor of the creation of a farm board, but I think we ought to provide more fully the duties of the board. We are creating a board without naming its duties with sufficient definiteness.

Mr. LARSEN. Does not the gentleman think the proposed farm bill (H. R. 1) forms the basis for farm relief legislation?

Mr. LANKFORD of Georgia. I think it forms a basis upon which can be constructed beneficial legislation.

This is one reason why I voted for it. But I think the functions of the board ought to be more specifically indicated. I voted for the bill, hoping that later it would be so amended as to make it the specific duty of the board to function in favor of the farmer instead of against him. [Applause.]

The farmer may not expect anything worth while from the champions of the House bill. He has been promised "economic equality with other industries" in both party platforms and by those everywhere who would deceive him. But it is evident that he is not to get soon, if at all, this much-promised equality. The farmer may not "ask" this equality of many people. Too many ignore his fair and honest requests, and the House committee did not even give him an opportunity to ask. The writer of the report, speaking for the House committee, says:

We particularly desire to note that no representative of any trade or consuming group appeared before us except with helpful and sympathetic suggestions.

This is a poor apology for not consulting the farmers in the preparation of a bill alleged to be in their behalf. The farmers were deprived of their "day in court." They have not had a fair hearing and they are condemned and sentenced to an unlawful servitude. The report says that the trade and consuming groups made "helpful and sympathetic suggestions." Their suggestions certainly were "helpful" in the writing of a bill in behalf of the profiteers and "sympathetic" just as the butcher is sympathetic for the sheep he is leading to slaughter. Then, again, would not it be fairer to the farmer that we be guided by the sympathy of the farmer for the farmer rather than by the crocodile tears of the enemies of the farmer?

And this is putting the farmer on an "economic equality with other industries." The entire House bill and report would be ludicrous in the extreme if they did not constitute an attempted outrageous crime. "Farm economic equality" can have but one meaning. Anything short of that may be farm relief, but it is not what has been promised the farmer over and over again.

Better freight rates, the debenture scheme, improved tariff schedules, insurance plans, and dozens of lesser farm relief programs all are or may be helpful in a way to the farmer, but they are not all that was promised the farmer nor all that he has a right to expect. Farm relief in its truer, broader sense means the empowering of the farmer to exercise to the fullest an "economic equality with other industries," which can only be exercised by the farmer selling what he produces in the markets of the world just like other industries.

Farm relief in its fullest sense can only mean the farmer's charter of liberty, in which is to be written a new freedom under which and by which the farmer shall be independent and empowered to control his own affairs on an equality with other enterprises. This freedom will be new, for no such plan has yet been worked out and put into effect by man since the beginning of time. It will be a charter containing hitherto ungranted rights and powers and requiring loyalty of freemen exercising a great right.

The farmer can never be independent and able to control his own affairs on a parity with other industries until he is given such assistance as is necessary to enable him and all his fellow farmers to effectively control the production and the marketing of their products, thereby obtaining for them such bargaining power as to enable them, within reasonable limits, to name the price at which they will sell their own products. This freedom must be a freedom of action, for battles must be fought in the winning and preservation of every great right.

The farmer must do what the Government can not do for him, and the Government should do what the farmer can not do for himself. There should be and there can be created a contractual relation which will enable the farmer to control his production and marketing and thus enable him, within reasonable limits, to name the price at which he will sell the fruits of his own labor. This and only this will put the farmer on an "equality with other industries." [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Georgia has expired.

SHIPPING AND NAVIGATION LAWS

Mr. LA GUARDIA. Mr. Speaker, on December 14, 1928, I spoke on the necessity of a revision of the shipping laws, and gave some facts and figures to the House, after a great deal of study of the subject. At that time I had pending before the Committee on Rules of the House a resolution calling for an investigation or a study of the shipping laws, with a desire to revise them and bring them up to date. There was no action

taken on it during the last Congress and in the present Congress I have reintroduced the same resolution, H. J. Res. 8.

At the time I introduced my resolution it was stated that there was an inquiry going on in New York concerning the *Vestris* disaster, and that all of the facts were being brought out at that inquiry. That was the argument that was presented to justify the taking of no action on my resolution. That resolution was entirely constructive, providing for a study of these laws concerning shipping, most of which had become obsolete and antiquated, not meeting modern conditions at all.

Within the very few days past this country has been startled and shocked by testimony given by witnesses concerning the loss of the *Vestris* before a board of inquiry of the London Board of Trade. The same witnesses who testified in the New York inquiry before Commissioner O'Neill are now testifying in London, and they frankly state that the testimony which they gave in the New York inquiry was not complete. One of the witnesses testified that he had falsified the ship's log, and another testified that the witnesses had been coached in New York, and would not give the real facts in New York that part of the testimony was false, purposely and unlawfully doing so with the knowledge and consent of the head of the Lamport & Holt Line officials concerning the facts about the *Vestris* disaster.

We now know that the *Vestris* was overloaded, which was the direct cause of the loss of the ship. After the *Vestris* disaster, and right after my address on December 14, I asked the United States Steamboat Inspection Service to subject the steamer *Vauban*, of the Lamport & Holt Line, to a stability test. The *Vauban* is a sister ship to the *Vestris*, built and constructed, as I understand, on the same plan. My purpose in asking that the *Vauban* be subjected to a stability test was twofold. First, in the event the Lamport & Holt Line refused to submit to the test, we could then go into the courts, and if the courts found that we had no authority to subject a foreign ship to such an investigation, I could then bring home to Congress the need of immediate action; and, second, if the *Vauban* was submitted to this test, we could come very near ascertaining the stability of the ill-fated *Vestris*. The Lamport & Holt Line did submit the *Vauban* to the stability test. That test has been made by the United States Steamboat Inspection Service. Here is the result of test:

Stability steamer *Vauban*. Preliminary result of test shows 8 inches negative stability. Vessel permitted proceed pending completion of figures with 300 long tons pig iron ballast and 1,126 long tons liquid ballast.

This is signed by Mr. Hoover, head of the Steamboat Inspection Service.

Now, if the *Vestris* was also 8-inch negative stability—and we have every reason to believe that she was—and was overloaded, the sending of that ship out with passengers on board was nothing short of cold-blooded murder.

According to testimony given in London concerning the *Vestris*, in the inquiry in New York witnesses testified falsely on advice of counsel representing the Lamport & Holt Line. Gentlemen, what are you going to do about it? The American people are looking to Congress for protection and relief in this matter. I wrote to the Secretary of Commerce yesterday asking that as each ship of the Lamport & Holt Line comes into port it be subjected to the stability test and to a rigid inspection, and that the certificate of seaworthiness be withdrawn from every ship of the Lamport & Holt Line in American ports because of the fact that they have entirely disqualified themselves from receiving any privileges under the American law.

MAY 6, 1929.

HON. ROBERT F. LAMONT,

Secretary of Commerce, Washington, D. C.

MY DEAR MR. SECRETARY: No doubt you have noted the testimony given before the board of inquiry now being held in London concerning the sinking of the British steamer *Vestris* and no doubt you have been as shocked and startled by this testimony as everybody else who has read it.

While it will take some time to revise our shipping laws, I believe that you have sufficient power under existing law to safeguard the lives of American citizens who risk another *Vestris* disaster by boarding vessels of the Lamport & Holt Lines. Shortly after the *Vestris* disaster I requested the Steamboat Inspection Service to submit the steamer *Vauban*, of the same line, a sister ship to the *Vestris*, to a stability test. I am informed that a preliminary result of test shows 8 inches negative stability. This vessel was permitted to proceed pending completion of figures with 1,426 tons of ballast to give her the required positive stability.

In view of the testimony given before the British board of inquiry, that not only was the vessel overloaded and that fact concealed before

the inquiry held in New York, but that officers and witnesses appearing before the inquiry held at New York were coached and told what to say in order to conceal the condition of the ship and the real facts, it is clear now that the *Vestris*, sister ship of the *Vauban*, was as negative in her stability if not more than the *Vauban*, that this defect was not corrected by a liquid ballast but that she was overloaded with cargo improperly stored, all of which was known to the owners of this line, and that the sending out of this ship with human lives in order to collect freight and passenger fares was nothing short of cold-blooded murder.

Under the circumstances and pending proper legislation to protect American lives, I would suggest that every steamer of the Lamport & Holt Lines on arrival at an American port be submitted to a stability test, to a rigid inspection, and that as each ship arrives the certificate required under the law be canceled and withdrawn. Any management of ships guilty of the gross negligence and deliberate disregard of law and human lives and willfully lying about it is not worthy to be entrusted with American lives and the privilege of navigating to and from American ports. The conduct of the Lamport & Holt Lines has disqualified them from enjoying any of the privileges provided for in the treaties between Great Britain and the United States.

F. LA GUARDIA.

Here you have a company operating ships to and from American ports, not touching their home ports, and therefore subject to American inspection, willfully and knowingly disobeying and disregarding American laws, causing a disaster resulting in the loss of 110 American lives. Not one cent of liability need be paid to the families of the dead because under an ancient law on our statute books which was first enacted in France in the sixteenth century, later adopted in England in the time of George III, the Lamport & Holt Co. can escape payment. Officials and representatives of the company not only concealed facts but deliberately instructed witnesses to lie while testifying before an American judicial proceeding—a thing they do not dare to do before their own inquiry. I say the only adequate example to be set to all foreign ships is for the Secretary of Commerce to avail himself of the powers he has and cancel the certificate of every ship of the Lamport & Holt Line. [Applause.]

Here is the letter I have written to the Postmaster General:

MAY 6, 1929.

Hon. WALTER F. BROWN,

Postmaster General, Washington, D. C.

MY DEAR POSTMASTER GENERAL: I desire to call your attention to the testimony adduced at the inquiry held at London concerning the *Vestris* disaster. It is apparent that the ship was overloaded, poorly navigated, and that the officers of the company willfully and purposely concealed the facts at the inquiry held in New York City. At my request, the sister ship of the *Vestris*, the *Vauban*, was submitted to a stability test. The test showed that the *Vestris* was 8 inches negative and she was permitted to sail with a ballast of 1,426 tons to correct this defect.

In view of the conduct of the officials of this company, their apparent disregard of complying with American laws, their utter lack of respect for American courts, I feel that under the statutes you are justified in canceling any contract which the post office may have with Lamport & Holt Line for the carrying of United States mails from and to American ports. The officials of this corporation have so discredited themselves as to be unworthy of any privilege which they have heretofore enjoyed from the United States Government.

Under the circumstances, I believe that it will serve as a wholesome example to foreign steamship companies if all contracts with Lamport & Holt be immediately cancelled.

Very truly yours,

F. LA GUARDIA.

Mr. MONTAGUE. Mr. Speaker, will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. MONTAGUE. Does the gentleman think that the overloading of the ship was the sole and only cause of the disaster?

Mr. LA GUARDIA. I think that the overloading of the ship with a negative stability was one of the factors, together with poor seamanship, of course.

Mr. MONTAGUE. Has the investigation in England been concluded?

Mr. LA GUARDIA. Oh, no; I think it is going on to-day.

Mr. MONTAGUE. Has the investigation in the United States been concluded?

Mr. LA GUARDIA. Yes.

Mr. MONTAGUE. Did we not have some very distinguished naval officers making findings and reports to our investigating committee in New York?

Mr. LA GUARDIA. I do not remember as to that. I know that I consulted the Navy and the technical facts as to stability which I used in my address of December 14, 1928, I obtained from the Construction Bureau of the Navy.

Mr. MONTAGUE. The gentleman stated that the lawyers concerned in this case on one side instructed the witnesses to commit perjury.

Mr. LA GUARDIA. So Chief Officer Johnson testified in London yesterday.

Mr. MONTAGUE. Were they American or English lawyers?

Mr. LA GUARDIA. I think that will come out eventually. I am very glad that the distinguished chairman of the Committee on Rules, the gentleman from New York [Mr. SNELL], is here now.

Mr. SNELL. Oh, I am almost always here.

Mr. MONTAGUE. If the gentleman will permit further, I have been interested in the case only as a citizen. I have not read fully the newspaper reports. Was there not a finding in this report of the officers that one of the compartment doors of the ship was wood when it should have been steel or iron?

Mr. LA GUARDIA. I do not remember as to that—

Mr. MONTAGUE. I think the gentleman will find that there is testimony, direct or circumstantial, that it was made of wood. What is the name of the sister ship?

Mr. LA GUARDIA. The *Vauban*.

Mr. MONTAGUE. And that likewise has wooden doors.

Mr. LA GUARDIA. Of course that is contrary to our law.

Mr. MONTAGUE. I am not seeking to pass on what the law is, but I want to ascertain the facts.

Mr. LA GUARDIA. That would be a contributing factor.

The SPEAKER pro tempore (Mr. TILSON). The time of the gentleman from New York has expired.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that his time be extended for three minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LA GUARDIA. That fact also shows a disregard of the requirements of our law and the necessity for revising our laws.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. BANKHEAD. I am very much interested in the statement of the gentleman from New York that under some ancient law, accepted subsequently by us, the owners of this line were exempted from any liability to the families of these deceased American citizens. What is the principle of maritime immunity involved in that law?

Mr. MONTAGUE. And might I supplement the inquiry of the gentleman from Alabama by this: Does the gentleman from New York mean to say that the ship line as a corporation is not responsible?

Mr. LA GUARDIA. Exactly.

Mr. MONTAGUE. Or only the ship itself?

Mr. LA GUARDIA. Both.

Mr. MONTAGUE. Are there not suits now pending by some of the claimants to recover damages?

Mr. LA GUARDIA. Yes.

Mr. MONTAGUE. Not against the ship but against the corporation—personal suits?

Mr. LA GUARDIA. Yes. There is no liability on the part of the owners unless direct personal knowledge and direct individual negligence is brought home to the officers of the corporation.

Mr. MONTAGUE. The old doctrine confines the liability to the ship, and if the ship is sunk and nothing is left, then, of course, nothing can be recovered.

Mr. LA GUARDIA. That has been changed in England now.

Mr. MONTAGUE. Does the old law to which the gentleman alludes bar suits in personam to recover damages?

Mr. LA GUARDIA. Yes. Section 4283 of the Revised Statutes of the United States is what is known as the limited liability law. The liability of the owners of a ship is limited to the value of the ship; but where the ship is a total loss there is no liability of the owners. Not only that, but under a decision of the Supreme Court, which the gentleman will find quoted in my speech of December 14, 1928—the *City of Norwich* (118 U. S. 468) and steamship *Great Western* (118 U. S. 521)—the owners can pocket the insurance money. In answer to the second inquiry of the gentleman from Virginia, as to the liability on the part of the owners, in order to establish liability you must find personal negligence on the part of the owners. In other words, if the plaintiff can establish that the owners knowingly and personally did some unlawful act, such as overload the ship, liability will attach, but knowledge of a superintendent or manager or agent, it has been held by our courts, can not be connected by implication as constructive knowledge of the owners themselves, and you must bring the knowledge absolutely home, something that is extremely difficult where ships are operated by a corporation.

Mr. BANKHEAD. Mr. Speaker, I take it from the gentleman's answer that he recognizes that that probably is the correct

interpretation of existing law and that it is for the purpose of remedying and correcting a law of that sort that the gentleman has introduced a resolution seeking to revise and bring down to date the maritime laws and regulations of our Government.

Mr. LAGUARDIA. Exactly.

The SPEAKER pro tempore. The time of the gentleman from New York has again expired.

Mr. MONTAGUE. Mr. Speaker, I ask that it be extended for two more minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MONTAGUE. Is the gentleman familiar with the proceedings of the Conference on Maritime Law at Brussels in 1909 and 1910?

Mr. LAGUARDIA. Yes.

Mr. MONTAGUE. Does the gentleman recall whether there was a convention extending what is known as Lord Campbell's Act to deaths occasioned at sea?

Mr. LAGUARDIA. Exactly.

Mr. MONTAGUE. Has anything ever been done with those conventions?

Mr. LAGUARDIA. I do not think so.

Mr. MONTAGUE. If those conventions had been ratified they would, perhaps, have afforded the remedy which is now in the gentleman's mind?

Mr. LAGUARDIA. That would not have been enough in our country, because after the ratification of the treaties we would have had to pass enabling acts. The conference which the gentleman refers to was extended then to the conference in 1914, known as the International Safety of Life at Sea Conference. Then the war came along and it was suspended. The conference is now in session at London.

Mr. MONTAGUE. Not a conference on maritime law?

Mr. LAGUARDIA. No; it is for the safety of life at sea. As I say, the conference with relation to the safety of life at sea is now in session at London, and the fact that it was to be in session was the reason for passing the load line law in such a hurry, because if we had sent delegates there to consider matters relating to the safety of life at sea the first thing they would have said would have been, "Well, America, you are the only country that has no load line law."

Mr. MONTAGUE. I was interested to know if the gentleman had kept up with and followed the track of the convention I have suggested.

Mr. LAGUARDIA. As I understand it, the treaty was never consummated.

Mr. MONTAGUE. I do not know, but I thought it was. I thought it was once sent to the Senate. I have understood it was sent to the Senate in Mr. Taft's administration. I do not now recall.

Mr. LAGUARDIA. Was it ratified?

Mr. MONTAGUE. My opinion is that such international conventions generally go into the limbo of the lost.

Mr. LAGUARDIA. However, we could remedy that by passing laws that are in keeping with the times.

The SPEAKER pro tempore (Mr. TILSON). The time of the gentleman from New York has again expired.

Mr. LAGUARDIA. Mr. Speaker, I ask unanimous consent to revise and extend my remarks by including my resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Joint resolution to create a commission for the revision of the shipping laws of the United States

Be it resolved, etc., That there is hereby established a joint congressional commission to be known as the Commission on the Revision of the Shipping Laws of the United States, and to be composed of two Senators, appointed by the President of the Senate, three Members of the House of Representatives appointed by the Speaker of the House, a naval officer assigned to the Bureau of Construction and Repair to be designated by the Secretary of the Navy, the senior naval officer member of the United States delegation to the International Conference for the Revision of the Convention of 1914 for the Safety of Life at Sea, the Supervising Inspector General of the Steamboat Inspection Service of the Department of Commerce, three naval architects to be selected by the Society of Naval Architects and Marine Engineers, the University of Michigan and the Massachusetts Institute of Technology, respectively, and a member to be selected by the American Bureau of Shipping.

The commission is authorized and directed to make a study of existing rules, laws, and regulations for the inspection of steamboats, vessels, and motorboats, the construction of said vessels, the conclusions of the International Conference for the Revision of the Convention of 1914 for the Safety of Life at Sea and modern methods of steamboat construction for the purpose of revising the laws of the United States in keeping with present requirements, modern practice in ship construc-

tion and the safety of life and to report to the Congress its findings and recommendations for the amendment and revision of the shipping laws of the United States or such other laws as may be necessary.

For the purposes of this resolution the commission, or any subcommittee thereof, is authorized to select a chairman and to hold such hearings; to sit at such times and places; to employ such clerical, stenographic, and other assistants; to require the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to have such printing and binding done, as it deems advisable.

Members of the commission who are not in the service of the United States Government shall receive a per diem allowance of \$25 for each day they are in session or engaged in the work of the commission.

For the purpose of carrying out the provisions of this resolution, the sum of \$50,000 is hereby authorized to be appropriated. All expenses of the commission shall be paid upon vouchers to be approved by the chairman of the said commission.

THE CRIME SITUATION

Mr. GIBSON. Mr. Speaker, I ask unanimous consent to extend some remarks of my own in the RECORD with respect to the present crime situation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. GIBSON. Mr. Speaker, we have listened with absorbing interest to several addresses dealing with the prohibition question and the unfortunate incident in connection with the attempt to arrest a rum runner here in Washington. We read in the papers almost every day accounts of clashes between the police and those who are defying the law and the Constitution.

All that has been said and all that has been depicted in the press connect up the situation here with the general crime situation in the country. Concerning that important matter I beg your indulgence while I discuss it briefly.

What are the facts in respect to crime in the United States? Judge Marcus Kavanagh, of a trial court of the city of Chicago, in his excellent and exhaustive work, *The Criminal and His Allies*, has given us information and statistics that should be noted with concern. It is my purpose to call your attention to some of the facts with which we are confronted.

We had in this country for the year 1927, 12,000 homicides, 39,000 robberies, and 32,000 burglaries. New York City reported 366 homicides, nearly 2,000 robberies, and 2,500 burglaries. The record for the city of Chicago shows 413 homicides, more than 3,000 robberies, and 2,000 burglaries. The average number of homicides in the country for the past 15 years has been above 8,000 each year.

The homicide mortality has increased in the country from 2.1 per 100,000 in 1900 to 7 in 1915, to 8.5 in 1924, to 10.7 in 1927. The greatest increase was in the period from 1900 to 1915. These figures disclose an amazing picture of our drift into crime and a growing contempt for the sanctity of human life.

In the matter of homicides Italy is our nearest rival, with the possible exception of Mexico. In Italy the average is about 5 per 100,000. In England the average is less than 1 per 100,000. The population of England and Wales is about 38,000,000. The average number of homicides for the past five years has been 268, as against more than 8,000 in this country. For every death by homicide in England and Wales there occurred proportionately 16 in this country. For every robbery in England there occurred proportionately 50 in this country. Japan reports about 450 homicides each year. For every one in Japan we have proportionately 10 in this country.

Other comparisons are interesting. New York City had 340 homicides in 1926 and more than 2,000 robberies. The District of Columbia, with 500,000 people, is credited with 53 homicides. During the same year the city of London, with 9,000,000, reported 17 murders and 28 robberies. The city of Berlin reports about 40 murders each year. The city of Paris had only 59 in 1924, the last year for which I have returns. Canada, with a population about equal to that of the city of New York, reported 86 homicides, against 340 in the American metropolis. Let us bear in mind that the record of New York City is creditable in comparison with other American cities, since the average mortality by homicide is about half the average of the country at large.

Thirty-nine thousand people were robbed in the United States in 1927. For the same year only 150 were reported for England and only 75 for France. An average of 8,000 homicides per year would make 160,000 victims of killers in 20 years, and an average of 39,000 robberies per year would produce 780,000 victims in the same period of time.

Judge Kavanagh truly pictures the situation when he says that the country is in fact invaded by an army of 350,000 criminals, an army twice greater than fought at Gettysburg, and

greater by far than the contending armies that held the fate of the world at Waterloo.

These figures make us wince. They should make us ashamed of our failure in the enforcement of the criminal law, since a comparatively few of the murderers and the robbers and the burglars ever suffer punishment for their crimes. They should fire us with a determination that this record shall not continue into the future.

This is not all. Of far less importance is the money cost of crime, but that is of such staggering proportions as to challenge belief. The consensus of the opinions of experts is that crime takes a toll of from ten to fifteen billion dollars annually from the people of this country. We can not comprehend the magnitude of such sums.

The cost of criminal activities, including the upkeep of jails and penal institutions, loss of property by fraud, destruction by arson, and aside from loss by burglaries, robberies, and ordinary thieving, would, annually, pay the cost of the construction of the Suez Canal and the Panama Canal. Stealings alone, in three years amount to more than all the gifts to colleges and schools in the country in 50 years. Crime costs each year \$500,000,000 more than the cost of all educational institutions, all churches, and charities.

The annual cost of crime is equal to half the amount expended by us for the World War and to one-sixth of the national income. It is more than the yearly savings of the people; more than the value of all the goods we import or export; more than the debts of the other nations to us, and greater by far than the value of all agricultural products to the farmer.

Stolen merchandise has become a \$3,000,000,000 business. The "fence," the receiver of stolen goods, is levying a tribute of \$28 per capita on our people each year. Crime is organized. It is our greatest business. Its control and suppression present a problem such as no other nation ever faced. Tariff and farm relief sink into insignificance in comparison.

If our criminals would lay off for two years, we could cancel all the war debts and be billions of dollars ahead. Remove the business man from the toll that is levied and business would go forward to a period of prosperity never dreamed of.

The situation calls for action. It calls us again to a stern contest for the preservation of liberty and to the exhibition of the highest degree of patriotism. In place of criticism of the enforcement of this or that law, or of its nonenforcement, we should enlist, without a mental reservation, under the banner of law and order, in the cause of orderly government and back up the President in his courageous stand, and find a way to put down this rising tide of crime and beat back the attack upon our country.

Edmund Burke once said, "Justice is the greatest concern of mankind." President Hoover in his recent New York speech pointed out that law is the one force that holds our civilization together. Justice can be made secure and civilization protected only through the enforcement of law. When we fail justice goes, and the structure of civilization built up through the centuries of struggle falls. Let us, as representatives of the people, charged with the duty of legislating for their protection, pledge ourselves to take such action that justice will not fail in America.

SPEECH OF HON. HUGH S. GIBSON

Mr. BACON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting a speech made by Ambassador Gibson on April 22, at the Geneva Disarmament Conference.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the Record, I include the speech by the Hon. Hugh S. Gibson, American representative, at the meeting of the preparatory commission for the disarmament conference, Geneva, Switzerland, April 22, 1929.

The speech is as follows:

NAVAL DISARMAMENT

Mr. Chairman, I have sought your permission to make a general statement of the views of my Government in regard to the question of disarmament and have felt warranted in doing so at this stage of the proceedings because, while we have not entered upon a second reading of the draft convention, we are bringing up for reconsideration various questions which have been previously discussed. It is felt, therefore, that in view of certain changed conditions it may facilitate the approach to these questions if I am permitted to take this occasion for stating my Government's views as to the means best calculated to promote an early agreement.

During the first reading of the draft convention it was the duty of each one of us to put forward the views of his Government on the various problems before the commission and endeavor to persuade his colleagues that those views should be adopted. It was only in this way that we were able to throw full light upon the complicated questions the solution of which we seek. When we come to the second reading, however, a renewal of the old discussions is no longer in order. Our first duty is for each one of us to examine all phases of the problem before us with a view to discovering what measures of concession can be offered by each delegation. Agreement upon a single text can be achieved only by a maximum of such concession.

For the purposes of my presentation, the disarmament problem may be divided into two parts, land and naval armaments. As regards land armaments, the American delegation will be able when we reach this question in our discussion to defer to the countries primarily interested in land armaments with such measure of concession as I trust will materially facilitate agreement among them.

My country's defense is primarily a naval problem. The American Government has found no reason for modifying its view that the simplest, fairest, and most practical method is that of limitation by tonnage by categories—a method which has been given practical and satisfactory application in the Washington treaty. While it is realized that this does not constitute an exact and scientific gage of strategic strength, we have, nevertheless, found that it constitutes a method which has the advantage of simplicity and of affording to each power the freedom to utilize its tonnage within the limitation of each category according to its special needs.

The American delegation has urged this view throughout the first reading, but, in view of the inacceptability to some other delegations of our unmodified thesis, my Government has sought in the various methods presented some solution which might offer the possibility of compromise and general acceptance. During the third session of the preparatory commission the French delegation brought forward a method which was an attempt to combine its original total tonnage proposals with the method of tonnage by categories. Under this method a total tonnage was assigned to each nation and this total divided among categories of ships by specified tonnages. If I am not mistaken, certain modifications were suggested in informal discussions so as to provide that the tonnage allocated to any given category might be increased by a certain percentage to be agreed upon, such increase to be transferred from any other category or categories not already fixed by existing treaty.

In the hope of facilitating general agreement as to naval armaments, my Government is disposed to accept the French proposal as a basis of discussion. It is, of course, the understanding of my Government that this involves an agreement upon the method alone and not upon any quantitative tonnages or the actual percentages to be transferred from one category to another. All quantitative proposals of any kind should properly be reserved for discussion by a final conference.

My Government is disposed to give full and friendly consideration to any supplementary methods of limitation which may be calculated to make our proposals, the French thesis, or any other acceptable to other powers, and if such a course appears desirable my Government will be prepared to give consideration to a method of estimating equivalent naval values which takes account of other factors than displacement tonnage alone. In order to arrive at a basis of comparison in the case of categories in which there are marked variations as to unit characteristics, it might be desirable in arriving at a formula for estimating equivalent tonnage to consider certain factors which produce these variations, such as age, unit displacement, and caliber of guns. My Government has given careful consideration to various methods of comparison, and the American delegation will be in a position to discuss the subject whenever it comes before the commission.

In alluding briefly to these possible methods, I desire to lay special emphasis on the fact that for us the essential thing is the achievement of substantial results. Methods are of secondary importance.

I feel that we are able to deal to best advantage with the specific questions on our agenda only if we bear clearly in mind the recent important changes in world conditions.

Since our last meeting, the nations of the world have bound themselves by solemn undertaking to renounce war as an instrument of national policy. We believe—and we hope that our belief is shared by the other nations—that this agreement affirming humanity's will to peace will advance the cause of disarmament by removing doubts and fears which in the past have constituted our principal obstacle. It has recently been my privilege to discuss the general problem of disarmament at considerable length with President Hoover, who has always been an ardent advocate of peace and good understanding. I am in a position to realize, perhaps as well as anyone, how earnestly he feels that the pact for the renunciation of war opens to us an unprecedented opportunity for advancing the cause of disarmament, an opportunity which admits of no postponement.

Any approach to the disarmament problem on purely technical grounds is bound to be inconclusive. The technical justification of armaments is based upon the experience of past wars and upon the

anticipation of future wars. So long as the approach to the problem is based upon old fears and old suspicions, there is little hope of disarmament. The lessons of the old strategies must be unlearned. If we are honest, if our solemn promise in the pact means anything, there is no justification for the continuation of a war-taxed peace. Great armaments are but the relic of another age, but they will remain a necessary relic until the present deadlock is broken, and that can be accomplished only by the decision of the powers possessing the greatest armaments to initiate measures of reduction.

In the opening statement at the 3-power naval conference in 1927 I took occasion, in suggesting certain tonnage levels as a basis of discussion, to say that the United States is prepared to agree to a plan for limitation at still lower levels which maintain the relative status of existing treaties with respect to the powers represented at that conference. This is still the attitude of my Government, and I am authorized to state that on this basis we are willing to agree to any reduction, however drastic, of naval tonnage which leaves no type of war vessel unrestricted.

A large part of the suggestions for limitation hitherto made seem to have been of such a nature as to sanction existing armaments or even to set higher levels with tacit encouragement to increase existing establishments. This is only a timid expedient and an agreement on the basis of existing world armaments (or at higher levels) can never be justified before enlightened public opinion as a positive achievement. At best it is purely negative. Fundamentally our purpose should be to release large numbers of men from military service to productive effort, and, second, to reduce the heavy burden of taxation. So long as the nations are burdened with increasing taxation for the maintenance of armaments it is idle to pretend that the world is really advancing toward the goal of disarmament. In recent years the word "limitation" has come to be used chiefly in describing agreements at existing levels or still higher levels and is generally looked upon as having nothing to do with actual reduction. It is useless to attempt to correct this impression by explaining that limitation may be at any level lower or higher than those existing. As a practical matter it would seem to be best to accept the general public understanding of these terms. Let us therefore take the bold course and begin by scrapping the term "limitation" in order to concentrate upon a general reduction of armaments.

My Government believes that there can be no complete and effective limitation of armament unless all classes of war vessels, including cruisers, destroyers, and submarines, are limited. It could not agree to any method which would result in leaving any class of combatant vessels unrestricted. In its reply, under date of September 28, 1928, to communications from the British and French Governments concerning an understanding reached between them as to a basis of naval limitation my Government pointed out that this understanding applied to only one type of cruiser and one type of submarine and would leave totally unlimited a large class of effective fighting units. This note also called attention to the American position at the Geneva naval conference and the fact that a proposal for general reduction was urged by the American delegation.

The willingness of my Government, I may even say its eagerness, to go to low levels is based upon the fundamental belief that naval needs are relative, namely, that what we may require for our defense depends chiefly upon the size of the navies maintained by others. Aside from the signatories of the Washington treaty, there is no conceivable combination of naval power which could threaten the safety of any of the principal naval powers. What justification can there be for the powers which lead in the respective classes of naval vessels to sanction further building programs in those classes? In the case of the United States we have already expressed our willingness to agree on a basis that would mean a substantial reduction of our present destroyer and submarine types. In the case of cruisers it is only possession by others of greatly superior strength in this class which has led to the adoption of the present building program.

My Government can not find any justification for the building and maintenance of large naval establishments save on the ground that no power can reduce except as a result of general reduction. Let us ask ourselves honestly what these establishments are for. As regards the relations of the maritime powers among themselves, there is no such need. Even if the danger of war is admitted, it could be guarded against just as well by the maintenance of relative strength at low levels as at higher levels. The principal naval powers have nothing to fear from the naval strength of the countries nonsignatory to the Washington treaty. There is no conceivable combination of naval strength among the nonsignatory powers which need give concern. As an example, the cruiser strength of all the nonsignatory countries in the world does not attain to one-half of the cruiser tonnage of the greatest single fleet.

The people of every country are crying out against the burdens of taxation and demanding the suppression of unnecessary expenditure. My Government is convinced that expenditure for disproportionate naval establishments is indefensible in that it can be avoided by a sensible agreement among the naval powers. And we must recognize that the people who pay taxes are bound to feel well-founded resent-

ment against any policy which commits them to needless taxation through failure to reach rational agreements.

My Government believes firmly in its idea that naval needs are relative and that radical general reduction is possible only on the theory of relative needs. I trust that these views may commend themselves to other governments and that it may be possible to agree upon such reductions. If, however, it is impossible to agree on this thesis, it is obvious that there will remain only the thesis of absolute naval needs. This would mean that all thought of reduction is abandoned, that each country retains a free hand in building with an inevitable tendency toward competition. Surely we can hardly envisage such a sequel to our solemn undertaking to keep the peace.

My Government has always felt that we need no exact balance of ships and guns which can be based only upon the idea of conflict—what is really wanted is a common-sense agreement, based on the idea that we are going to be friends and settle our problems by peaceful means. My Government has never believed that an effective approach to the problem of disarmament could be made by methods of reduction of armaments alone. It feels that genuine disarmament will follow only from a change of attitude toward the use of force in the settlement of international disputes. It is for that reason that I venture to make this appeal that the countries here represented examine the whole problem afresh in the hope that they will find in general world conditions and in the solemn obligation they have taken among themselves a reassurance as to their security and that they will find in this the confidence to enable them to dispense with the armaments which hitherto have seemed so essential.

PROPOSED LEGISLATION WITH RESPECT TO COTTON AND JUTE

Mr. O'CONNOR of Louisiana. Mr. Speaker, I ask unanimous consent to extend my remarks upon the proposed legislation with respect to cotton and jute and for the privilege of incorporating in those remarks letters I have received from the tariff committee of the Texas Cottonseed Crushers' Association.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. O'CONNOR of Louisiana. Mr. Speaker, in view of the widespread interest in the proposed legislation with respect to cotton, both raw and when manufactured into fabricated and finished products and articles, and in relation to jute and jute manufactures, I desire to make a part of these remarks letters which, in my judgment, cover the field of inquiry and study on the subject of this extension in such a liberal and tolerant but exhaustive manner as to make them a noteworthy contribution to the controversy that is presently uppermost in the thoughts of millions of men who have more than a mere academic interest in the discussion. I have read these letters, one addressed to me by Ed Woodall, chairman of the tariff committee, Texas Cottonseed Crushers' Association, and the other addressed to Mr. Woodall by Clarence Ousley, with profound interest and pleasure.

Directly and by necessary implication as a result of their observations and conclusions these two students of the cotton and jute industries lead their readers through well-plowed fields, but over new paths, and in an easy, logical manner pass almost imperceptibly from the fields of cotton and jute into the realms of economics, and with literary graciousness and logical persuasiveness tempt even the unbeliever to express his reluctant dissent in the historical and biblical tribute that Agrippa paid to Paul in the impetuous and vehement but complimentary utterance, "Almost thou persuadest me to be a Christian."

Before I conclude these few preliminary remarks and follow with what might well be termed epistles to the cotton growers, let me say that the Fulmer bill and the Ransdell bill will not come up until the next regular session of the Congress nor will any other legislation be considered outside of the farm relief bill and the new tariff bill, which we all hope will solve for a time the problems that called this extraordinary session into existence.

Of course, some exigency or emergency may justify the leaders of the majority party in departing from this course, but the country from present indications may feel reasonably sure that the Congress will be glad to await developments that will flow and spring from the enactment into law of the farm and tariff bills, before embarking upon what to-day appears to be strange, unknown, uncertain, and perhaps tempestuous legislative seas. I hope the epistles to the cotton growers will stimulate thought upon the great fields they cover. I believe they will provoke discussion. So much the better, for it is on the anvil of discussion that the spark of truth will fly. I realized long ago that no man possesses the infallible touchstone of truth, and that men equally honest and sincere will arrive at different conclusions from the same state of facts in a great many cases submitted to them for determination and judgment. But there are many problems which can be tempo-

rarily solved through some method upon which most of us can agree when that method or solution is so convincingly stated as to carry conviction.

I say temporarily solved, because in a world of change there is nothing permanent, and no rule of action with respect to industry, commerce, finance, or government can be expected to operate satisfactorily beyond a generation. The growth of civilization is the result of expediency, the meeting of rapidly changing conditions, and the adaptation of ourselves, mentally and intellectually, to a new environment, "for each age is a dream that is dying or one that is coming to birth." Nothing is permanent and nothing should be permanent, as such a state would make for stagnation. And new conditions bring with their coming new principles and laws, which pass out with the conditions that gave them birth.

"The old order changeth, yielding place to new, and God fulfills Himself in many ways lest one good custom should corrupt the world," is more than a poetic outburst. It is an expression of the law of change, which, paradoxical as it may appear, is the only permanent rule that governs all things great and small. After which wandering into the field of poesy and philosophy we will return to the fields of cotton and jute.

COTTON BAGGING AS A SUBSTITUTE FOR JUTE

TARIFF COMMITTEE,
TEXAS COTTONSEED CRUSHERS' ASSOCIATION,
Dallas, Tex., May 4, 1929.

HON. JAMES O'CONNOR,

House Office Building, Washington, D. C.

DEAR MR. O'CONNOR: I inclose you copy of a letter I have received from Hon. Clarence Ousley, ex-Assistant Secretary of the United States Department of Agriculture. You probably know Colonel Ousley by reputation, and know that no man in the South has a keener interest in the welfare of southern farmers than he. You also probably know that no man has given more time in an effort to uplift the southern farmer.

There has been quite a bit of agitation in Congress in favor of even a prohibitive tariff on raw jute and jute bagging, the purpose, of course, being to force the use of cotton products in substitution for various purposes for which jute is now used. Included, of course, in this idea is the use of cotton bagging for wrapping cotton bales.

I hope you will carefully read Colonel Ousley's letter, in which he sets out the probable inadvisability of the program of prohibitive tariff on jute. A part of this program involves the Fulmer net weight bill, which provides for only 15 pounds of gross tare being allowed on a bale of cotton, whereas 2-pound bagging and ties weigh 21 pounds. Fifteen pounds of tare will only permit 6 pounds, or 1 pound per yard of covering, assuming that the same weight ties are used as is now the case, 9 pounds for each bale of cotton. Any quality of 1-pound bagging to the yard would be flimsy, and the chances are it would not stand the rough usage to which cotton bales must be subjected, by reason of the rough handling of square-bale cotton. It is my understanding that 15 pounds of allowable tare even includes patches, to say nothing of the bagging alone.

It means a lot of trouble for each ginner, as the tare must be certified on each bale. As I see it, the whole scheme is useless and uneconomic. All cotton to-day is bought basis of 22 pounds tare to the bale, and the shippers are allowed a maximum of 6 per cent tare, or 30 pounds per bale. This additional added tare does not accrue to the benefit of the shipper—but it is only done for the purpose of putting the bale in condition to stand the rough usage in shipment, and competitive conditions in the purchase of cotton gives to the farmer the full value of his cotton.

The Department of Agriculture, in its preliminary report, says, in effect, that if all cotton bales were wrapped in cotton bagging it would require 175,000 to 200,000 bales to provide for that requirement for the first year. Assuming that arbitrarily we were compelled to discontinue the use of jute bagging, and that all cotton bales were wrapped in light-weight cotton bagging, we would find an additional market for that much additional cotton.

Unfortunately, however, considering the salvage from the cotton bagging, as pointed out in their preliminary report to the effect that this cotton bagging can be garnetted and used again for the purpose of making cotton waste, osnaburgs, and cotton bagging, on this basis it would have 65 to 75 per cent of its original value, which would mean a net use of, say, not over 75,000 bales.

It would undoubtedly cost the farmer \$1 a bale more to wrap his cotton in cotton bagging than it now costs him to wrap it in jute. Last year the jute manufacturer received an average of only 70 cents per bale for the bagging alone covering the bale. To double his cost of wrapping and only find an additional market for 75,000 to 100,000 bales per year, which will not affect the price of cotton, means he is penalizing himself to the extent of at least \$1 a bale in order to make the experiment. As far as the tariff that has been asked for by the proponents of the use of cotton bagging for cotton is concerned, namely, 9 cents per yard on jute, which would mean a tariff duty of 54 cents on 6 yards necessary for wrapping 1 bale of cotton, it will not force the

use of cotton and will only mean that the farmer will pay 54 cents per bale minimum increased cost for his jute. If cotton bagging is to be forced as a substitute for jute, the rate of duty will have to be double that which has been proposed.

It is very well to go on the assumption that the South can force the balance of the country to pay double the cost of packaging, including bags and many other usages to which jute is now put, but it is a hope that can not be realized.

Again, assuming that we can force the use of cotton as a substitute for jute in wrapping cotton bales, and for all kinds of bags and packages, will we not have just reason to believe that some substitute will be found? In fact, in Russia flaxseed straw has been found an excellent substitute for jute.

Then, again, the United States is the largest consumer of jute in the world, and jute is produced in India, in rather a small area. If the United States market is denied to them, they will not be able to find a market for it in other sections of the world to anything like the extent of their production. Therefore the only thing they can do is to cut down their production, and the most likely substitute would be the planting of cotton in its stead. The net results would probably be an increased production of cotton in India to the extent that we curtail the consumption of jute in the United States; and as cotton is a world crop the competition as far as cotton is concerned would be the same, whether produced in India or in the United States.

From the best information that we are able to get, the usage of American cotton is increasing at the rate of one-half million bales per year, and if we can continue this for three or four years it will result in fair values for cotton.

Moreover, as Colonel Ousley points out in his letter:

"We should not delude ourselves with the notion that we may establish, by any device of tariff, a constantly profitable price for cotton. The cultivation of cotton is so seductive that as long as the price fairly meets the cost and provides even a meager living it will be produced by that type of farmer who is content merely to get along with the least labor, and any fancy value or generously profitable value is certain to stimulate production to the point of saturation."

It means that if we can find a market for 1,000,000 additional bales that instead of raising 15,000,000 bales average we will produce 16,000,000, and as far as advancing the value of cotton is concerned it will not come about in this way.

If we could induce the women of the United States to increase the length of their skirts 12 inches and could persuade them to wear cotton it would call for a great deal of additional cotton. Somehow or other they do not see it this way. They prefer substitutes for cotton, particularly rayon, a silk substitute, and the more wealthy ones prefer silk. We do find in rayon a good market for low-grade cotton linters, and this is a considerable aid to southern farmers.

Every right-thinking man who lives in the South is interested in any movement that will benefit our southern farmers. I am sure we all appreciate that his prosperity is essential to our own, but as I see it this legislation is an attempt to "lift himself by his own boot straps." For such increased uses of cotton as will be found in the use of cotton bagging, he will be his own buyer, and undoubtedly will pay a premium of at least \$1 a bale for the purpose of making the experiment.

In my judgment a prohibitive tariff on jute and the Fulmer net weight bill are both uneconomic and ill-advised in the interest of southern producers of cotton.

Respectfully submitted.

ED WOODALL.

DALLAS, TEX., April 27, 1929.

MR. ED WOODALL,

Santa Fe Building, Dallas, Tex.

DEAR MR. WOODALL: I have just read the preliminary report of the Department of Agriculture on Cotton Bagging for Cotton. From the facts therein stated it does not appear that the increased consumption of cotton for cotton bagging alone would warrant the difference in cost between cotton bagging and jute bagging on the average of the years. Moreover, under present trade practices the operation of tare deduction is an important factor which can not be ignored.

The loss of tare allowance in cotton bagging under present practices and the higher cost of cotton bagging on the average of the years, it seems to me, would be greater than the enhanced value of cotton due to the use of cotton for cotton bagging. Even if the practice of net tare could be established, there would be a substantial margin of higher cost than the calculated enhancement of cotton values due to the comparatively small volume of cotton required to wrap the cotton crop.

If the tariff were not high enough to exclude jute entirely, and thereby to increase the demand for cotton for other bags and covering in various lines of commerce, then I think it is quite certain that the net cost of cotton bagging and tare allowance would considerably exceed the enhancement of values due to the consumption of cotton for cotton bagging alone.

To make the tariff on jute prohibitive in order to obtain the maximum benefit to cotton producers will be to stimulate the production

of other substitutes for bagging and for general containers, and there is no way of calculating how resourceful the world may be in providing such substitutes. It is altogether probable that such substitutes might be provided and entirely defeat the object of the prohibitive tariff.

Also it should be borne in mind by a Member of Congress that a prohibitive tariff on a commodity of such vital welfare to the countries of production might lead to reciprocal acts of retaliation that would be hurtful to our general commerce and to our cotton industry.

There are many other considerations that properly enter into the problem. In years of cotton scarcity due to weather and pests the cost of cotton bagging would be far higher than any possible gain from the use of cotton bagging. In average years the salvage from cotton bagging would greatly reduce the volume of new cotton required for bagging. I am unable to see that a prohibitive tariff on jute will prove profitable to the cotton farmer, and clearly it will prove burdensome and vexatious to all other users of jute.

Finally, we should not delude ourselves with the notion that we may establish, by any device of tariff, a constantly profitable price for cotton. The cultivation of cotton is so seductive that as long as the price fairly meets the cost and provides even a meager living, it will be produced by that type of farmer who is content merely to get along with the least labor, and any fancy value or generously profitable value is certain to stimulate production to the point of saturation.

Yours very truly,

CLARENCE OUSLEY.

PROHIBITION LAW ENFORCEMENT

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to proceed for five minutes.

The SPEAKER pro tempore. The gentleman from Missouri asks unanimous consent to proceed for five minutes. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, I desire to call attention of the House and, through this medium, officials engaged in law enforcement in the country to what I feel is a most important decision rendered by United States District Judge Charles B. Faris, of St. Louis. I might say, in passing, Judge Faris is a learned jurist, few of his decisions have been reversed by the appellate courts since his appointment many years ago, and a man who, I do not feel, thinks the best method of securing temperance was through the eighteenth amendment and Volstead Act, but one who has never failed, when proper evidence was presented, to assess severe penalties against violators of the prohibition laws as well as all other Federal statutes. I know of no case of the thousands he has tried where a guilty person has escaped punishment. Without exception he sends to jail every man convicted of selling intoxicants, regardless of whether it was a drink or a barrel.

The case in question was the prosecution of a negro pleading not guilty to a charge of possession of liquor.

Judge Faris stated, in rendering his opinion, that he was going into the technicalities of the situation because the case outraged his feelings; he contended two of the defendant's constitutional rights had been violated and added that the man had a right to protection under his constitutional rights no matter how black he may be. Possession of whisky in a residence creates no presumption of guilt unless there is evidence of a sale having been made from the residence, in the opinion of Judge Faris, and he so directed the jury in ordering an acquittal verdict.

Policemen had testified they had raided the home of the negro without a warrant, seized a half pint of whisky, and arrested the defendant.

The court stated to the jury that the Federal courts have ruled that the illegal acts of a police officer acting as a State officer are no defense in Federal court. However, he pointed out, police officers must be bound by Federal practice when they act in a matter of violation of a Federal statute and cited the Volstead Act as providing for the issuance of search warrants only on the evidence of sale. Although the officers testified the negro admitted he had been selling whisky, the judge held this was only half the proof, as there was no evidence that he was selling it. The Government failed to prove by any other testimony the man was engaged in selling liquor.

The court made it very plain that possession of liquor in a residence raises no presumption of guilt unless there is evidence of a sale. He told the jury to bear in mind that the officers searched the defendant's home, but added that if it had been in a place of business, where the man had no legal right to possess liquor, and where it might have raised the presumption he was selling it, the situation might have been different.

In commenting on the evidence of the police officers that the man admitted he had been selling liquor, the judge told the jury

one of them might admit that he had killed another man but conviction could not be had unless it was shown by competent evidence that the man had actually been killed.

Mr. Speaker, the decision to my mind clearly indicates the possession of whisky in a residence is not alone sufficient to assume the law has or is being violated and the enforcement officers have no authority to disturb the owner unless they have additional evidence that a sale has been made from the residence. I hope this decision will be placed in the hands of every enforcement officer in the country.

I have introduced a bill, H. R. 1209, making it a felony for a violation of the fourth amendment to the Constitution. The passage of my bill would correct unlawful searches and seizures which are in direct violation of the Constitution. City, State, and Government enforcement officials must understand they, too, must obey the Constitution.

It is a far greater offense for an enforcement officer to abuse the constitutional rights of a citizen than it is for the citizen to violate a law. There is no justification for some of the acts committed by men sworn to enforce the law. I can only account for it as an effort on the part of those clothed with responsibility to try and enforce an obnoxious law that even the officials themselves must now admit can not be enforced.

Hundreds of millions of dollars have been spent in the effort to enforce prohibition laws, but conditions grow worse rather than show improvement. How much better it would be to apply this money to more useful purposes. We read in the papers where Dan Edwards, an outstanding hero of the World War, is ill and can not find work. Hundreds of thousands of the men likewise heroes of the World War are out of employment, with no work to be had. If the millions of the taxpayers' money now being used in the attempt to enforce prohibition was allocated to expedite public work the country as a whole would be better off.

When one looks back 10 years, especially during this month, at which time millions of our soldiers were returning home, one would have thought from the demonstrations the day would never come when the soldiers would be in want. How time has changed conditions. [Applause.]

SPEECH OF HON. RAY LYMAN WILBUR, SECRETARY OF THE DEPARTMENT OF THE INTERIOR

Mr. ANDREW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a speech delivered by Secretary Wilbur, of the Department of the Interior, before the American Council on Education.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. ANDREW. Mr. Speaker, under leave to extend my remarks, in the RECORD, I present the text of an admirable address upon "Local Self-government in Education" delivered by Secretary Ray Lyman Wilbur, of the Department of the Interior, on May 3, in Washington, before the Twelfth Annual Meeting of the American Council on Education.

The text of Secretary Wilbur's address follows:

LOCAL SELF-GOVERNMENT IN EDUCATION

I have often wished that I might have had the pleasure of sitting in at the discussions when the basic principles underlying the organization of the United States of America were being thought out loud by men like Thomas Jefferson and Benjamin Franklin. It seems to me that the wisest and shrewdest thing that was done was to encourage universal public education as the basis upon which citizenship should rest. The schoolhouse and the church have been the earliest community enterprises throughout the history of our gradual conquest of a great continent. They came just as soon as sustenance and defense had been mastered. In themselves they were most significant because they brought local self-government and self-control into play.

There has been a unique distribution of the taxing power so that the majority of the expenditures for taxation have been raised and spent in the local districts and only a modest percentage outside of those for war and its after effects has come from the central Government in Washington. This, together with the organization of the State governments, has permitted of a wide range of development in the public schools. Fortunately, too, there were no national universities, and the State universities followed a prolonged period of privately operated and later privately endowed institutions of higher learning. When the State universities appeared they were under the constant stimulation of private and independent institutions of equal rank. This kept the hand of centralized government largely off of the school-teacher and the schoolroom. Of course, there have been marked inadequacies in districts without a proper sense of self-government, without natural organizing power, and without financial strength. Some of those who have looked over our educational system have noticed only these dark spots and have thought that a national mechanism should be devised that would be nation-wide in scope and would bring these weaker or dark spots at

least up to the average level of the country. Correction of abuses is a poor method of developing proper administration. It seems to me that there is a distinct menace in the centralization in the National Government of any large educational scheme with extensive financial resources available. Abnormal power to mold and standardize and crystallize education which would go with the dollars would be more damaging to local government, local aspiration and self-respect, and to State government and State self-respect than any assistance that might come from the funds.

We can not rise higher than our source. That source in government with us is local. The family and the local community must be the places where citizenship is built and where the fiber of the Nation is strengthened and its forces recruited. Too much help from afar is harmful to the initiative and self-reliance requisite for character in a community.

The place of the National Government is not that of supplying funds in large amounts for carrying on the administrative functions of education in the communities but to develop methods, ideals, and procedures, and to present them, to be taken on their merits. The National Government, too, can give widespread information on procedures, can report on what is actually going on in different parts of the country and in the world, and can unify to some extent the objects of those in the field of education in so far as unification is desirable. There is a distinct place for this sort of thing in the administrative side of the National Government, but it should not be recognized as an administrative position with large funds at its disposal. A department of education similar to the other departments of the Government is not required. An adequate position for education within a department and with sufficient financial support for its research, survey, and other work is all that is needed.

Great gains are possible in our whole educational scheme through national leadership provided in this way. Education is preparation for the future and there must be constant change to keep in step with the advances made. Our conceptions regarding the mental makeup of children are shifting and the requirements of life are changing with a civilization which is being revamped by the practical applications of science and invention. The object of those of us who seek the greatest possible advantages for all from education can, it seems to me, be accomplished without disturbing the initiative and responsibility of local and State units of government.

BILL PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on May 6, 1929, present to the President for his approval a bill of the House of the following title:

H. R. 2158. An act making an appropriation for defraying the expenses of the United States Marine Band in attending the Confederate Veterans' Reunion to be held at Charlotte, N. C., June 4 to June 7, inclusive, 1929.

ADJOURNMENT

Mr. MICHENER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 45 minutes p. m.) the House, in accordance with its previous order, adjourned until Thursday, May 9, 1929, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV a communication from the President of the United States, transmitting draft of proposed legislation to provide that the sum of \$25,000 of the continuing appropriation, "Naval emergency fund," Navy Department, be made available to defray the expenses in connection with the Samoan Commission, Public Resolution 79, Seventieth Congress (H. Doc. No. 14), was taken from the Speaker's table and referred to the Committee on Appropriations, and ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HAWLEY: A bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes; to the Committee on Ways and Means.

By Mr. JAMES: A bill (H. R. 2668) to readjust the allowances of retired enlisted men in the Army, Navy, and Marine Corps; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 2669) to amend section 14 of the national defense act; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 2670) to regulate computation of percentages of active pay to be paid as retired pay to officers of the Army; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 2671) to authorize the transporting of Army personnel; to the Committee on Military Affairs.

By Mr. HILL of Alabama: A bill (H. R. 2672) to amend section 47 (c), national defense act, as amended, relating to military training required to entitle members of the Reserve Officers' Training Corps to receive commutation of subsistence; to the Committee on Military Affairs.

By Mr. RAGON: A bill (H. R. 2673) granting the consent of Congress to the Arkansas State Highway Commission to construct, maintain, and operate a bridge across the Arkansas River at or near the city of Ozark, Franklin County, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. JAMES: A bill (H. R. 2674) to prevent the use of a stop watch or time-measuring device, and for other purposes; to the Committee on Military Affairs.

By Mr. McSWAIN: A bill (H. R. 2675) to prohibit a railroad upon any right of way leading to a national cemetery and to limit repairs to roadways leading to national cemeteries; to the Committee on Military Affairs.

Also, a bill (H. R. 2676) to authorize issue of surplus or reserve stores and materials to the National Guard; to the Committee on Military Affairs.

Also, a bill (H. R. 2677) to authorize the free issue of surplus or reserve uniforms and other equipment or material to the Reserve Officers' Training Corps and to limit the cost of stocks furnished by the War Department; to the Committee on Military Affairs.

Also, a bill (H. R. 2678) to authorize the employment of civilians to deliver special lectures at general and special service schools; to the Committee on Military Affairs.

Also, a bill (H. R. 2679) regulating the mileage and other traveling allowances of members of the Officers' Reserve Corps; to the Committee on Military Affairs.

Also, a bill (H. R. 2680) to provide for the transfer of enlisted men of the Regular Army to the Regular Army Reserve; to the Committee on Military Affairs.

By Mr. MAAS: A bill (H. R. 2681) to authorize settlement of damages to persons and property by Army aircraft; to the Committee on Military Affairs.

Also, a bill (H. R. 2682) to regulate sales by utilities in the Army; to the Committee on Military Affairs.

Also, a bill (H. R. 2683) to regulate exhibition flights by the Air Corps; to the Committee on Military Affairs.

Also, a bill (H. R. 2684) to authorize mapping agencies of the Government to assist in preparation of military maps; to the Committee on Military Affairs.

By Mrs. OLDFIELD: A bill (H. R. 2685) to amend section 200 of the World War veterans' act, 1924; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 2686) to amend section 202, subdivision 10, of the World War veterans' act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. ROWBOTTOM: A bill (H. R. 2687) authorizing Henry F. Koch, trustee the Evansville Chamber of Commerce, his legal representative and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Evansville, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. NELSON of Maine: Joint resolution (H. J. Res. 69) to amend joint resolution directing the Interstate Commerce Commission to take action relative to adjustments in the rate structure of common carriers subject to the interstate commerce act, and the fixing of rates and charges; to the Committee on Interstate and Foreign Commerce.

By Mr. VESTAL: Joint resolution (H. J. Res. 70) consenting that certain States may sue the United States, and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the years 1866, 1867, and 1868, and vesting the right in each State to sue in its own name; to the Committee on Ways and Means.

By Mr. HAWLEY: Concurrent resolution (H. Con. Res. 4) to print the "Tariff bill of 1929" as reported to the House of Representatives, together with the report thereon as a House document; to the Committee on Printing.

By Mr. HUDSON: Resolution (H. Res. 42) to print the address of President Hoover on law observance as a House document; to the Committee on Printing.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. BRIGGS: Memorial of the State Legislature of the State of Texas, urging Congress that they incorporate a provision in the farm relief bill forbidding the participation in said funds of any and all cooperatives which have received funds for organization or are supported by the cotton exchange, and that no member who is a member of the cotton exchange or has been a member of same or has ever worked for or received pay from such exchange shall become a member of the board to direct the work of the farm relief bill; to the Committee on Agriculture.

Also, memorial of the State Legislature of the State of Texas, urging Congress of the United States for the use of the Muscle Shoals plant for the manufacture of nitrogen for cheaper fertilizer for agriculture; to the Committee on Military Affairs.

By Mr. GARNER: Memorial of the State Legislature of the State of Texas, urging Congress of the United States to pass such legislation as to regulate the conduct of cotton futures exchanges; to the Committee on Agriculture.

By Mr. SANDERS of Texas: Memorial of the State Legislature of the State of Texas, commending the bill introduced by Senator TOM CONNALLY in the Senate of the United States to control the conduct of cotton futures exchanges by placing them under the same regulatory powers of the United States Department of Agriculture as grain futures exchanges are now regulated, and urging the Members of Congress from Texas to use their efforts and influence to secure the passage of such legislation; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYRES: A bill (H. R. 2688) granting a pension to Margaret Dunworth; to the Committee on Pensions.

By Mr. BACON: A bill (H. R. 2689) granting an increase of pension to Irene Rucker Sheridan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2690) authorizing the Secretary of the Treasury to pay certain claims the results of a fire in the Government ordnance plant at Baldwin, N. Y.; to the Committee on Claims.

Also, a bill (H. R. 2691) conferring jurisdiction upon the United States Court for the Southern District of New York to hear and determine the claim of the owner of the French auxiliary bark *Quevilly* against the United States, and for other purposes; to the Committee on War Claims.

By Mr. COCHRAN of Pennsylvania: A bill (H. R. 2692) for the relief of Francis J. McDonald; to the Committee on Claims.

By Mr. ELLIOTT: A bill (H. R. 2693) granting an increase of pension to Macie Hornsby; to the Committee on Pensions.

By Mr. GAMBRILL: A bill (H. R. 2694) conferring the rank, pay, and allowances of a major of Infantry, to date from March 24, 1928, upon Robert Graham Moss, late captain, Infantry, United States Army, deceased; to the Committee on Military Affairs.

By Mr. HALSEY: A bill (H. R. 2695) for the relief of St. Ludgers Catholic Church, of Germantown, Henry County, Mo.; to the Committee on War Claims.

By Mr. HAUGEN: A bill (H. R. 2696) granting an increase of pension to Florence Wade; to the Committee on Invalid Pensions.

By Mr. JAMES (by request of the War Department): A bill (H. R. 2697) for the relief of Franz J. Jonitz, first lieutenant, Quartermaster Corps, United States Army; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 2698) to credit certain officers of the Army with service at the United States Military Academy; to the Committee on Military Affairs.

Also (by request of the War Department), a bill (H. R. 2699) to authorize an appropriation to cover damages to an automobile of William H. Baldwin; to the Committee on Military Affairs.

By Mr. JENKINS: A bill (H. R. 2700) granting a pension to John Barrett; to the Committee on Invalid Pensions.

By Mr. KENDALL of Pennsylvania: A bill (H. R. 2701) granting an increase of pension to Elizabeth Baldwin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2702) granting an increase of pension to Emma Deetz; to the Committee on Invalid Pensions.

By Mr. LOZIER: A bill (H. R. 2703) granting an increase of pension to Anna Cox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2704) granting an increase of pension to Rebecca Ann Leas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2705) granting an increase of pension to Sarilda C. Lake; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2706) granting a pension to America E. Watson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2707) granting a pension to Sadie Saunders; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 2708) for the relief of Wellington Johnson; to the Committee on War Claims.

By Mr. McFADDEN: A bill (H. R. 2709) granting a pension to Margaret C. Boyle; to the Committee on Invalid Pensions.

By Mr. MOUSER: A bill (H. R. 2710) for the relief of Rebecca J. Rider; to the Committee on Military Affairs.

By Mr. PALMER: A bill (H. R. 2711) granting a pension to William B. Higgins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2712) granting a pension to Mattie Fields; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2713) granting a pension to Ann Maria Metcalf; to the Committee on Invalid Pensions.

By Mr. RAGON: A bill (H. R. 2714) granting a pension to Jack Fisk Hopkins; to the Committee on Pensions.

By Mr. SPEAKS: A bill (H. R. 2715) granting a pension to Flora Newman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2716) granting a pension to Nancy White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2717) granting a pension to Mary Anderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2718) granting a pension to Sarah Fuerer; to the Committee on Pensions.

Also, a bill (H. R. 2719) granting an increase of pension to Martha Queen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2720) granting an increase of pension to Hattie Black; to the Committee on Pensions.

Also, a bill (H. R. 2721) granting an increase of pension to Mary Ellen Dalgarn; to the Committee on Pensions.

Also, a bill (H. R. 2722) granting an increase of pension to Elizabeth R. McConnell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2723) granting an increase of pension to Mary Slosser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2724) granting an increase of pension to Alice E. Chapman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2725) granting an increase of pension to Ellen M. Carey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2726) granting an increase of pension to Eliza J. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2727) granting an increase of pension to Josephine A. Carlton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2728) for the relief of Edward Tomlinson; to the Committee on Military Affairs.

Also, a bill (H. R. 2729) for the relief of Anna E. Stratton; to the Committee on Military Affairs.

Also, a bill (H. R. 2730) for the relief of Capt. Philip A. Scholl, Finance Department, United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 2731) for the relief of Homer D. Neimeister; to the Committee on Military Affairs.

Also, a bill (H. R. 2732) to correct the military record of Lawrence Fisher; to the Committee on Military Affairs.

Also, a bill (H. R. 2733) to correct the naval record of Raymond Wallace; to the Committee on Naval Affairs.

By Mr. STRONG of Kansas (by request of the War Department): A bill (H. R. 2734) to authorize the payment of an indemnity to the owners of the British steamship *Kyleakin* for damages sustained as a result of a collision between that vessel and the U. S. S. *William O'Brien*; to the Committee on War Claims.

By Mr. TILSON: A bill (H. R. 2735) for the relief of John T. O'Neil; to the Committee on Military Affairs.

By Mr. THOMPSON: A bill (H. R. 2736) granting a pension to Alice Bailey; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 2737) granting an increase of pension to Harriet E. Teegardin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 2738) granting an increase of pension to Mary C. House; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 2739) granting a pension to Lizzie White; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

335. By Mr. CRAMTON: Petitions signed by 385 residents of the seventh congressional district of Michigan, urging a higher tariff on sugar; to the Committee on Ways and Means.

336. By Mr. MOREHEAD: Petition signed by 25 citizens of Lincoln, Nebr., requesting the repeal of the national-origins provision of the immigration act and the continuance of the quotas based on 2 per cent of the 1890 census, thereby supporting the President in his opinion on this question; to the Committee on Immigration and Naturalization.

337. By Mr. O'CONNELL of New York: Petition of Manor Council, No. 112, Daughters of Liberty, opposing the repeal of the national-origins clause of the immigration act; to the Committee on Immigration and Naturalization.

338. Also, petition of M. H. Birge & Sons Co., Buffalo, N. Y., with reference to wall paper tariff schedule No. 13; to the Committee on Ways and Means.

339. By Mr. SANDERS of Texas: Petition of F. M. Fuller and Jed Wenpree, of Athens; T. C. Speed and L. K. Speed, Chandler; B. B. Almond, Malakoff; J. H. Allison, Eustace; and P. D. Nichols, Murchison, all in the State of Texas, in favor of a separate bill to increase tariff duties on competing farm products immediately; to the Committee on Ways and Means.

340. By Mr. QUAYLE: Petition of the Medical Society of the county of Kings, Brooklyn, N. Y., renewing and reiterating its objection to the principles of the maternity act and favoring termination thereof on June 30, 1929; to the Committee on Interstate and Foreign Commerce.

SENATE

WEDNESDAY, May 8, 1929

(Legislative day of Tuesday, May 7, 1929)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

HUBERT D. STEPHENS, a Senator from the State of Mississippi, appeared in his seat to-day.

Mr. FESS. Mr. President, I suggest the absence of a quorum. The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Allen	Frazier	La Follette	Smith
Ashurst	George	McKellar	Smoot
Barkley	Gillett	McMaster	Steak
Bingham	Glass	McNary	Steiwer
Black	Glenn	Metcalf	Stephens
Blaine	Goff	Moses	Swanson
Blease	Goldsborough	Norbeck	Thomas, Idaho
Borah	Gould	Norris	Thomas, Okla.
Bratton	Greene	Nye	Townsend
Brookhart	Hale	Oddie	Trammell
Broussard	Harris	Overman	Tydings
Burton	Harrison	Patterson	Tyson
Capper	Hastings	Phipps	Vandenberg
Caraway	Hatfield	Pine	Wagner
Connally	Hawes	Pittman	Walcott
Copeland	Hayden	Ransdell	Walsh, Mass.
Couzens	Hebert	Reed	Walsh, Mont.
Cutting	Heflin	Robinson, Ark.	Warren
Dale	Howell	Robinson, Ind.	Waterman
Deneen	Johnson	Sackett	Watson
Dill	Jones	Schall	Wheeler
Edge	Kean	Sheppard	
Fess	Keyes	Shortridge	
Fletcher	King	Simmons	

The VICE PRESIDENT. Ninety-three Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS

Mr. COPELAND presented the following resolutions adopted by the Lockport (N. Y.) Men's Community Club, which were referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

LOCKPORT MEN'S COMMUNITY CLUB,
Lockport, N. Y., May 4, 1929.

Senator ROYAL COPELAND,
Washington, D. C.

HONORABLE SIR: The following resolution was unanimously adopted at the last meeting of the Lockport Men's Community Club (Inc.), Lockport, N. Y.:

"Whereas Congress has passed and the President has signed the Norbeck bill providing for the expenditure of \$8,000,000 for the establishment of wild game and bird refuges; and

"Whereas Niagara County lies directly in one of what naturalists recognize as the four great natural paths for the migration of birds from north to south, owing to the narrow body of water which the birds can cross at this point, to wit, the Niagara River; and

"Whereas the Lockport Rod and Gun Club has already gone on record favoring the establishment of one of such refuges in Niagara County: Now, therefore, be it

"Resolved, That the Lockport Men's Community Club (Inc.) is heartily in favor of the establishment of such a refuge in Niagara County and will do all in its power toward the accomplishment of this end; and

"Whereas Lockport, N. Y., was the lifetime residence of J. L. Davison, an internationally known and recognized authority on wild life and especially wild birds; be it further

"Resolved, That if it is or should be the policy of the Government to name these refuges, said refuge located in Niagara County should be named the J. L. Davison refuge; and be it further

"Resolved, That a copy of the resolution be sent by the secretary to Senators WAGNER and COPELAND and Congressman DEMPSEY."

Yours very truly,

LOCKPORT MEN'S COMMUNITY CLUB,
W. J. WHITESIDE, Secretary.

Mr. BLAINE presented a petition of the officers of the Anti-National Origins Clause League, Detroit, Mich., praying for the repeal of the national-origins provisions of the existing immigration law, which was referred to the Committee on Immigration.

Mr. WALCOTT presented letters and telegrams in the nature of petitions from the Connecticut Society, Daughters of 1812, and Quinipiac Council, No. 61, of the Sons and Daughters of Liberty, both at New Haven, and the National Society, Daughters of Founders and Patriots of America, in the State of Connecticut, praying for the retention of the national-origins provision in the immigration law, which were referred to the Committee on Immigration.

He also presented a resolution of Enfield Grange, No. 151, Patrons of Husbandry, in the State of Connecticut, protesting against any change in the present oleomargarine laws, which was referred to the Committee on Finance.

He also presented a resolution adopted by the Connecticut Department, Sons of Union Veterans of the Civil War, favoring the passage of the so-called Robinson bill, granting increased pensions to Civil War veterans, their widows and dependents, which was referred to the Committee on Pensions.

He also presented petitions of sundry citizens of Washington Depot, New Haven, Portland, Waterbury, Branford, East Hampton, New Britain, East Lyme, Hartford, South Manchester, and Hamden, all in the State of Connecticut, praying for the repeal of the national-origins provision of the existing immigration law, which were referred to the Committee on Immigration.

Mr. HATFIELD presented a telegram signed by the Moorefield Orchards, A. L. Ewers & Son, Ewers Thompson Orchard Co., G. P. Miller Co., D. T. Williams, J. S. Zimmerman, Shull & Zimmerman Golden Orchard Co., of Romney, W. Va., favoring inclusion in the pending farm relief bill of a provision authorizing allotment of not less than \$50,000,000 as a revolving fund for the purpose of building common and cold storage plants in strategic producing centers to enable growers to store their fruit plants; when built should be sold by the Government to incorporated associations of not less than 10 growers within area affected on amortization plan based on payment in 20 years at cost and 4½ per cent interest, etc., which was ordered to lie on the table.

He also presented a telegram from the Consolidated Orchard Co., signed by H. W. Miller, president, Paw Paw, W. Va., favoring the inclusion of a provision in the pending farm relief bill for packing house and storage credit facilities for fruit growers, which was ordered to lie on the table.

He also presented a telegram from L. P. Miller, of Cumberland, Md., favoring inclusion in the pending farm relief bill of a provision for furnishing aid to apple growers in securing packing house and common storage facilities, etc., which was ordered to lie on the table.

REPORT OF THE COMMITTEE ON AGRICULTURE AND FORESTRY

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 101) to provide for producers and others the benefit of official tests to determine protein in wheat for use in merchandising the same to the best advantage, and for acquiring and disseminating information relative to protein in wheat, and for other purposes, reported it without amendment and submitted a report (No. 8) thereon.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BINGHAM:

A bill (S. 1011) to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes; to the Committee on Military Affairs.